

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
OPERATION MANUAL  
Volume IX

Transmittal Letters

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Division of Family Support

Operation Manual  
Transmittal Letter No. 640  
December 1, 2023

Subject: Adding Clarifications to Vol. III and Vol. IIIA

Volume III

MS 2001, KTAP 60-Month Lifetime Limit, is revised to change Family Alternative Diversion (FAD) to Family Assistance Short Term (FAST).

MS 2040, Disclosure of Information for TANF Programs, is revised to change FAD to FAST.

MS 2155, Sign Application Forms, is revised to change FAD to FAST.

MS 2158, Electronic Case File Content, is revised to change FAD to FAST.

MS 2195, Return of TANF Benefits, is revised to change FAD to FAST.

MS 2240, KTAP Family with Two Parents, is revised to clarify that two-parent households with one technically ineligible parent is considered a one-parent household with a 30-hour per week participation requirement regardless of the age of the children.

MS 3750, Relocation Assistance Program, is revised to update the terminology from homelessness to housing crisis.

MS 3770, RAP Application and Payment Process, is revised to update the terminology from homelessness to housing crisis.

MS 3850, Work Incentive (WIN) Eligibility, is revised to change FAD to FAST.

Volume IIIA

MS 4005, KWP Participation Requirements, is revised to clarify for two-parent households when one parent is technically ineligible, the other parent must participate for 30 hours per week regardless of the age of the children.



Division of Family Support

Operation Manual  
Transmittal Letter No. 639  
11/1/23

Subject: Updates to VOL IIA Supplemental Nutrition Assistance program (SNAP) Work Requirements.

Volume IIA

- MS 1650, Work Registration Exemptions, is revised to update ETP to E&T.
- MS 2000, ABAWD Overview, is revised to update ABAWD individual ages to 18-52 years as well as update ETP to E&T. Also revised for formatting and clarity throughout.
- MS 2105, ABAWD Exemptions, is revised to add new Fiscal Responsibility Act (FRA) exemptions. The manual section is also revised to remove reference to hard to serve individuals and 12% FP exemption.
- MS 2300, ABAWD Tracking, is revised to add new tracking codes and remove obsolete codes. Removed reference to hard to serve individuals and 12% FP exemption. Age limit revised and section revised for formatting and clarity throughout.
- MS 2350, Changes in ABAWD Status, is revised to correct ABAWD age range. Example in D. updated to reflect more recent dates.
- MS 2750, ABAWD Bonus Months, is revised to update who can enter bonus months into Worker Portal. Example in D. updated to reflect more recent dates Form revised for formatting and clarity throughout.
- MS 3050, Employment and Training Program OVERVIEW, is revised to update ETP to E&T and update the referral process. The manual section is also revised for formatting and clarity throughout.
- MS 3100, E&T Program Components, is revised to update VES to Vocational Education and add information regarding background check. The manual section is also revised for formatting and clarity throughout.
- MS 3150, Job Retention Services, is revised to update ETP to E&T, update information for JRS, and for formatting and clarity throughout.
- MS 3400, Reporting Changes, is revised to update ETP to E&T.
- MS 3500, Transportation Payment Procedures, is revised to update ETP to E&T and for formatting and clarity throughout.
- MS 3900, Curing Noncompliance, is revised to remove ETP in reference to ABAWD noncompliance.
- MS 4850, Reinstating after Erroneous ABAWD Disqualification, is revised to change ETP to ABAWD and remove reference to ETP disqualification.

Subject: Volume II Overhaul

Volume II

- MS 7000, Required Verification at Application, Residency is revised for Categorically Eligible (CE) and Expanded Categorical Eligible (ECE) policy and procedures. School Enrollment is revised to remove reference to attendance and enrollment verification for SNAP. Formatting and clarity changes throughout.
- MS 7010, Expedited Verification, is revised to add further detail for I.D. verification. Residency has been removed as required verification for expedited SNAP applications, and revised to add further information for procedures on using verifications that the agency already has. Formatting and clarity changes throughout.
- MS 7030, Required Verification at Recertification, is revised to remove the reference to attendance and enrollment verification for SNAP under School Enrollment. Formatting and clarity changes throughout.

Division of Family Support

Operation Manual  
Transmittal Letter No. 637  
October 1, 2023

Subject: New Standard Medical Deduction (SMD)

Volume II

The following manual sections are revised to reflect revisions to the SMD.

MS 5400, Deductions-General, is revised to reflect new Standard Medical Deduction with examples.

MS 5420, Medical Deductions-General, is revised to reflect the new Standard Medical Deduction. Form also revised for formatting and clarity.

## Division of Family Support

Operation Manual  
Transmittal Letter No.636  
October 1, 2023

Subject: FY 2024 Annual Cost-of-Living Adjustments (COLA) for Income Standards and Shelter Deductions

### Volume II

The following manual sections are revised to reflect the annual COLA for Fiscal Year 2024 changes for income eligibility scales, standard deductions, homeless shelter deduction, and Basis of Issuances (BOI).

- MS 3220, SAFE Allotments, is revised to reflect new allotment amounts and to update rent/mortgage expense to state shelter expense.
- MS 5000, Resource Maximums, is revised to reflect the updated resource limits for elderly/disabled and all other households.
- MS 5200, Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165% Gross, and 200% Gross Income scales, and both the income and income limits listed in the example are updated.
- MS 5400, Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 1-6+), the Maximum Shelter Deduction, and the Homeless Shelter Deduction. Language added to address new Standard Medical Deduction.
- MS 5485, Treatment of Homeless Households with Shelter Costs, is revised to reflect the updated Homeless Shelter Deduction. Revised for formatting and clarity throughout.
- MS 5810, Special Procedures for Calculations, is revised to reflect the updated Homeless Shelter Deduction.
- MS 9010, DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, Maximum Shelter Deduction for a household of 4, and the example calculations.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 635  
October 1, 2023

Subject: Clarifying Various Volume III and Volume IIIA Sections

### Volume III

MS 2015, Full Family Sanction at Reapplication, is revised to clarify a new "Agree to Comply" record needs to be created on the KWP Sanction screen in order to approve the KTAP that has a full family sanction.

MS 2159, Case Notes, is revised to remove the reference to FAD and add the FAST program.

MS 2175, Processing Recertifications and Case Changes, is revised to add information concerning processing changes that result in adding a member to the KTAP EDG.

MS 2324, KWP Exemption Criteria, is revised to clarify two-parent households may only use the exemption for 100% SSA disability. The other parent may be able to use good cause to care for the disabled individual if needed. The two-parent household may not use any of the other exemptions.

### Volume IIIA

MS 5390, RN and LPN Licensing Authorization, is being revised as Kentucky Board of Nursing (KBN) has simplified their process. There are no longer two separate fees, there is now only one fee for the exam. They also no longer offer paper applications.

Division of Family Support

Operation Manual  
Transmittal Letter No. 634  
October 1, 2023

Subject: Various Updates and Revisions to Volume VIII

Volume VIII

MS 1009, Case Record Content, Categorically Eligible/CE and Expanded Categorically Eligible/ECE are valid verification sources.

MS 1020, Definitions, updates made to information regarding Registered Child Care Providers. They now may only care for children that are related to them.

MS 1510, Content of The Interview, Categorically Eligible/CE and Expanded Categorically Eligible/ECE are valid verification sources.

MS 2005, Enrollment Fees, changed Registered Provider to Registered Relative Child Care Providers.

MS 2505, Child Care Income Limits, updates made to CCAP income limits to reflect

MS 3010, Residency Requirements, Categorically Eligible/CE and Expanded Categorically Eligible/ECE are valid verification sources.

MS 4000, Eligible Providers, changed Registered Provider to Registered Relative Child Care Provider.

MS 4020, Child Care Certificate to Access Child Care Services, electronic signatures are now acceptable for the DCC-94/Child Care Service Agreement and Certificate.

There is new system functionality for Incomplete Certificates.

Division of Family Support

OMTL-633  
R.10/1/23

Subject: Revisions to Vol I MS 0140 and updates to Volume II to add new Elderly Simplified Assistance Project (ESAP) Policy Sections.

Volume I

MS 0140, Acronyms updated to add Elderly Simplified Assistance Project (ESAP) and Expedited Supplemental Assistance Program (EXSNAP).

Volume II

The following manual sections are being added to Volume II for the new ESAP policy.

MS 3300, Elderly Simplified Application Project (ESAP) Overview.

MS 3320, ESAP Application Procedures

MS 3330, ESAP Verification Requirements

MS 3340, ESAP Change Reporting Requirements

MS 3350, Monthly System Match for ESAP

MS 3360, ESAP Recertification Processing

MS 3370, ESAP Denial and Discontinuance Reasons

## Division of Family Support

Operation Manual  
Transmittal Letter No. 632  
September 5, 2023

Subject: Continuous Coverage for Children and Updates to Volume IVA, Volume IVB, and Volume V

### Volume IVA

The Table of Contents has been revised to remove MS 1065 as this manual section is obsolete.

MS 1065, Copay For Medicaid Recipients, is obsoleted as the requirement for member co-payments has been removed.

MS 3920, Medicaid Works Financial Eligibility, is revised to update the Federal Poverty Levels for 2023.

MS 4330, Financial Eligibility for QDWI, is revised to update the income limit for 2023.

MS 4450, Resource Limits for Medicare Savings Program, is revised to update the resource limits for QMB, SLMB and QI1.

MS 4455, Income Limits for Medicare Savings Program, is revised to update the income limits for 2023.

MS 4460, Medicare Savings Program Income, is revised to update the income limits for 2023.

### Volume IVB

The Table of Contents has been revised to add the new manual sections and remove MS 1950 as this manual section is obsolete.

MS 1075, Type of Assistance, has been revised to add the new types of assistance (TOAs) for continuous coverage for children.

MS 1950, Copay For Medicaid Recipients, is obsoleted as the requirement for member co-payments has been removed.

MS 2652, Continuous Coverage for Children, has been created to incorporate new policy regarding continuous Medicaid coverage for children.

MS 2654, Juvenile Justice Children, has been created to incorporate policy regarding DJJ children.

MS 2665, SKY Program, is revised to incorporate policy that children receiving Medicaid in the DJJM TOA are required to participate in the SKY Program.

MS 2910, Income Scales, is revised to update the 2023 Federal Poverty Levels for Advance Premium Tax Credit.



MS 3300, Tweeners, is revised to reflect the 2023 Federal Poverty Levels.

Volume V

MS 1100, State Supplementation Overview, is revised to remove the copay requirement.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 631  
August 21, 2023

Subject: Long Term Care Resource Overhaul

### Volume IVA

MS 1990, Nonrecurring Lump Sum Income, is revised for clarity and formatting.

MS 2030, Vehicles, is revised for clarity and formatting.

MS 2031, Overview of Burial Reserves, is revised for formatting and clarity.

MS 2033, Burial Spaces and Items, is revised to update the following:

- Burial reserves are used to purchase burial spaces or items, either prior or after the death of the individual;
- Burial items are also exempt for immediate family members;
- Adding the date of death to a headstone or marker is reasonable improvement and an exempt burial expense; and
- The section has been further revised for formatting and clarity.

MS 2036, Life Insurance Policies, is revised to include examples for the different whole life insurance scenarios. The section has been further revised for formatting and clarity.

MS 2037, Prearranged Funeral Contracts, is revised to clarify when MSBB should review out of state funeral contracts and update policy to state life insurance policies do not need to be deleted if they have not been irrevocably assigned.

MS 2050, Transfer of Resources, is updated to clarify when a prohibited transfers of resources exists.

MS 2055, Life Estates, is revised for clarity and formatting.

MS 2056, Life Estate Table, is revised for clarity and formatting.

MS 2070, Exceptions to Transfer of Resources, is revised to clarify relationship between applicant and disabled children must be verified and that all payments to personal caregivers must be made prior to institutionalization.

MS 2080, Consideration of Transferred Resources, is updated to increase resource divider form \$216.43 to \$270.16 (effective 1/1/2023).

MS 2105, Special Procedures for Transfer of Resources by a Power of Attorney/Legal Guardian, is updated for clarity and formatting.

Subject: Volume II Overhaul

Volume II

The following manual sections are revised to reflect current SNAP policy as an ongoing process for VOL II revision.

- MS 2385, Child Support Disqualification Exemptions, is revised to change having child under age 6 to child under age 18 in the home. Exemption added for release from incarceration in the last 12 months, with incarceration for a period of at least 30 days and is now cooperating with QC.
- MS 3160, Categorical Eligibility, is revised to remove reference to drug related felony disqualification and add disqualification due to not cooperating with conditions of probation or parole.
- MS 5498, Non-Heating and Non-Cooling Costs/Basic Utility Allowance (BUA), is revised to remove Internet as an option for BUA eligibility.
- MS 5650, Budgeting Income, is revised to remove rounding procedures, examples updated to reflect current SNAP policy. Accredited Home School added to Student Income Section.
- MS 6410, Verification Time Standards at Application and Recertification, is revised to allow 30 calendar days from the date of application to return all mandatory verification. Recertification language removed and added to MS 6520. Revisions for formatting and clarity.
- MS 6480, SNAP Interim Review Overview, is revised to state that when the 17<sup>th</sup> of the mid-review date falls on a weekend or holiday, the FS-2 is due the day prior to the weekend or holiday.
- MS 6490, Snap Interim Review Verification Requirements, is revised to state that if the 17<sup>th</sup> of the month falls on a weekend or holiday, verification is due the business day prior to the weekend or holiday.
- MS 6520, Verification Time Standards at Recertification, updated to reflect current policy using language and examples removed from MS 6410.

Division of Family Support

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- MS 6707, Revised to add substantial lottery or gambling winnings. Reference to manual document PAFS-126 removed. Revisions for formatting and clarity.
- MS 7475, SNAP Case Documentation, is revised to remove reference to drug felons. Additional language added for medical deductions. Section added for documentation of case entry deletions. Revisions for formatting and clarity.

Division of Family Support

Operation Manual  
Transmittal Letter No. 629  
August 1, 2023

Subject: Volume II Overhaul

Volume II

The following manual sections are revised to reflect current SNAP policy

- MS 2380, Child Support Disqualification Overview, is revised to clarify chain of command when requesting assistance from central office staff. Formatting and clarity changes are made throughout.
- MS 2385, Child Support Disqualification Exemptions, is revised to state 12-month postpartum period, and is revised for clarity.
- MS 3500, Residency, is revised to address Expanded Categorical Eligibility (ECE). Formatting and clarity changes are made throughout.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 628  
August 1, 2023

Subject: Updates to Exclude All AmeriCorps Income and Other Various Changes

### Volume I

MS 0560, Documentation of Immigrant Status, is revised to remove PLMA from reasons in which an individual's statement may be accepted and to add Death to the reasons.

MS 0570, SAVE, is revised to remove KTAP and CCAP from the statement to pend for SAVE response.

### Volume III

MS 2510, Excluded Income, is revised to state all AmeriCorps income is excluded.

MS 2520, Six-Month Earned Income Exclusion, is updated to add scenarios regarding the 6-month exclusion and revised to clarify 6-month exclusion for teen parents.

MS 2625, Test Budget Income, the work expense standard deduction is updated to \$175.

MS 2710, Wages, is updated to remove the National and Community Services Trust Act of 1993 (such as AmeriCorps) as earned income.

MS 3000, Requirements for Child Support Action, is revised to state form KTAP-125 or KC-125 is not required for individuals receiving good cause for noncooperation.

MS 3030, Child Support Referral Process, is revised to add that completion of form KTAP-125 or KC-125 is not required for individuals receiving good cause for noncooperation.

MS 4010, Eligibility for FAST, is revised to add an explanation of relative income budgeting for FAST.

### Volume IIIA

The Table of Contents is revised to add MS 4430, Case Management Process.

MS 4430, Case Management Process, is created to provide specific policy and procedures related to case management and form KW-100.

MS 4600, Options for KWP Activities, is revised to add a reference to MS 4430.

MS 4780, Curing the KWP Sanction at Reapplication, has been revised to clarify the process at reapplication for individuals that may cure the KWP sanction by using exemption criteria.

MS 5300, Transportation Authorization and Issuance Procedures, is revised to state to pay start-up transportation at the initial KW-100 meeting if participation is expected to begin.

Subject: Various Updates to Volumes IVA and V

Volume IVA

MS 1750, Allocations, Allowances, and Standards, is revised to update the following Community Spouse Standards that are effective 7/1/23.

- The minimum Community Spouse Income Allowance is updated to \$2,465.
- The Community Spouse Minimum Shelter Allowance is updated to \$740.
- The Family Member Income Allowance is updated to \$2,465.

MS 2070, Exceptions to Transfer of Resources, is revised to clarify that the child must be verified as disabled by the Social Security Administration (SSA) or the Medical Review Team (MRT).

MS 3550, Long Term Care Individual with Community Spouse, is revised to update the following Community Spouse Standards that are effective 7/1/23.

- The minimum Community Spouse Income Allowance is updated to \$2,465.
- The Community Spouse Minimum Shelter Allowance is updated to \$740.
- The Family Member Income Allowance is updated to \$2,465.

Volume V

MS 1800, State Supplementation Categories, is revised to clarify form CIS-1, Community Integration Supplementation Optional Checklist, must clarify who can sign the form and tenancy rights for individuals who live in a camper.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 626  
June 5, 2023

Subject: Family Assistance Short Term (FAST) Program

This OMTL introduces the Family Assistance Short Term (FAST) program. This program replaces the Family Assistance Diversion (FAD) program. FAST is a separate program that can help with short-term needs of a FAST eligible family **without** the family needing to apply for and be eligible for KTAP.

### Volume I

MS 0001, Family Support Manuals and Program Instructions, is revised to remove FAD and add FAST. In addition, Child Care Assistance Program (CCAP) and OM Transmittal Letters, are included as volumes in the Operation Manual.

MS 0020, General Case Processing, is revised to remove FAD and add FAST.

MS 0100, Returned Checks, is revised to add FAST as a payment type.

MS 0110, Report of Nonreceipt of Benefits issued by Check, is revised to include FAST as a payment type.

MS 0140, Acronyms, is revised to add Family Assistance Short Term (FAST).

MS 0240, Civil Rights Complaints, is revised to remove FAD and add FAST.

MS 0475, Hearing Time Frames, is revised to change the reference from FAD to FAST.

MS 0910, Referral of Claims to the Office of Inspector General, is revised to add FAST.

MS 1200, Cash Assistance and Other Related Program Claims, is revised to add FAST.

MS 1210, How to Calculate a Case Assistance and Other Related Program Claim, is revised to add FAST.

### Volume II

MS 3160, Categorical Eligibility, is revised to change FAD to FAST.

MS 5000, Resource Maximums, is revised to remove FAD and add FAST.

### Volume III

The Table of Contents is revised to remove the FAD sections, MS 2200, 2206, and 2208 and add the new FAST sections, MS 4000, 4010, 4020 and 4030. In addition, MS 2110, Standard of Promptness, is renumbered to MS 2163, and MS 2105, Cash Assistance Screening Process is added.

MS 2105, Cash Assistance Screening Process, is created to provide information on the new screening process for cash assistance applications.

MS 2110, Standard of Promptness, is renumbered as MS 2163. All the information remains the same.

MS 2158, Electronic Case File Content, form KWET-241 is renamed KW-241.

MS 2163, Standard of Promptness, is the renumbered MS 2110, and contains the material formerly found in MS 2110.

MS 2200, Family Alternatives Diversion, MS 2206, FAD Short-Term Needs, and MS 2208, FAD Payments, are obsolete.

MS 2332, Enumeration, is revised to include information from FSM – Social Security Numbers for Immigrants.

MS 3750, Relocation Assistance Program (RAP), is revised to include examples of moving expenses.

MS 4000, Family Assistance Short-Term Program, is created to provide general information about FAST and the eligibility criteria.

MS 4010, Eligibility for FAST, is created to provide information on the specific eligibility rules for FAST.

MS 4020, FAST Short-Term Needs, is created to provide information on what are short-term needs.

MS 4030, FAST Payments Procedures, is created to provide the policy and procedures to issue FAST payments.

#### VOL IIIA

MS 4270, Work Experience Program (WEP), form KWET-241 is renamed KW-241.

Division of Family Support

Operation Manual  
Transmittal Letter No. 625  
May 15, 2023

Subject: Volume II Overhaul

Volume II

The following manual sections are revised to reflect current SNAP policy.

MS 5490, updated shelter deduction amount

MS 5498, updated shelter deduction amount\_

MS 9020, DSNAP Caseworker Responsibilities, is revised for formatting and clarity.

MS 9035, DSNAP Electronic Benefit Transfer (EBT) Issuance, is revised to update expungement from 12 months to 9 months. Revised for formatting and clarity throughout.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 624  
May 1, 2023

Subject: Long Term Care Overhaul and Addition of Case Notes

### Volume IVA

The Table of Contents is revised to change the title of MS 1380, MS 3390, MS 3450, and MS 3660. It is also revised to remove MS 3320, MS 3520, MS 3580, MS 3670, MS 3680, and MS 3690.

MS 1010, Non-MAGI Definitions, is revised to update the definition of Community Spouse and Institutionalized Spouse and to add the definition of Patient Liability.

MS 1380, Non-MAGI MA Documentation, is revised to change the title to Case Notes. It is also revised to update the manual section regarding the items that should be addressed in Case Notes and for clarity.

MS 2470, Excluded Income, is revised to remove the statement that dividend/interest income paid directly to the individual, community spouse, or parent of a disabled child, is considered countable.

MS 3300, Who is Eligible for LTC Medicaid, is revised to incorporate policy from MS 3320 regarding individuals with income less than \$50 and those receiving time-limited Medicaid. The section is further revised for clarity and formatting.

MS 3320, Special Procedures for LTC Applicants, has been obsoleted and incorporated into MS 3300.

MS 3350, SSI Recipient Institutionalized, is revised for clarity and formatting.

MS 3390, QMB Recipient in LTC, is revised to:

- Change the title to Long Term Care (LTC) Case Change;
- Include instructions on completing case changes for individuals already receiving Medicaid at time of LTC admittance;
- Remove references to KAMES; and
- Clarity and formatting.

MS 3450, Cost of Care, is revised to change the title to Patient Liability and for clarity.

MS 3460, Countable Income for Patient Liability Determination, is revised to clarify policy regarding case changes. It is also revised to remove outdated references for IMS Program HR 39 and New Bendex and to add BDX (Bendex Inquiry).

MS 3470, Excluded Income for LTC/Waiver, is updated to clarify that VA Aid and Attendance (A&A) and VA Unreimbursed Medical Expenses (UME) are countable if the beneficiary is in a state-operated veteran's Nursing Facility.

MS 3480, Deductions and Allowances, is revised to add prosthetics, orthotics, medical supplies to items the facility is required to provide.

MS 3500, Special Income Standard, is revised to explain when the special income standard can be applied for retroactive months and to incorporate policy from MS 3580 regarding Spend Down.

MS 3505, Qualifying Income Trust (QIT), is revised to clarify that the QIT must be established in Kentucky with a bank that operates in Kentucky.

MS 3520, Interruption of Stay, has been obsoleted and incorporated into MS 3590, Change in Status.

MS 3530, LTC Individual, is revised for clarity.

MS 3540, Long Term Care (LTC) Couple, is revised for clarity.

MS 3550, Long Term Care Individual with Community Spouse, is revised for clarity.

MS 3560, LTC Blind or Disabled Child, is revised for clarity.

MS 3580, Spend Down for LTC, is obsoleted and information added to MS 3500.

MS 3590, Change In Status, is revised to include information previously in MS 3520.

MS 3650, Level of Care, is revised to add PACE/IPACE as Levels of Care and for clarity and formatting.

MS 3660, Peer Review Organization Initial Certification, is revised to:

- Change the title to "Peer Review Organization";
- Incorporate policy from MS 3670, 3680, and 3660; and
- Clarity and formatting.

MS 3670, Peer Review Organization Denial, has been obsoleted and incorporated into MS 3660.

MS 3680, Peer Review Organization Reconsideration, has been obsoleted and incorporated into MS 3660.

MS 3690, Peer Review Organization Appeal, has been obsoleted and incorporated into MS 3660.

MS 3720, Estate Recovery, is revised to clarify that Estate Recovery must be completed when an individual was in Long Term Care (LTC) or receiving waiver services prior to receiving Hospice.

#### Volume IVB

The Table of Contents is revised to add MS 1215.

MS 1215, Case Notes, is created to incorporate policy regarding the items that should be addressed in case notes.

Volume V

The Table of Contents is revised to add MS 1550.

MS 1100, State Supplementation Overview, is revised to add policy regarding restorations and provide examples.

MS 1550, Case Notes, is created to incorporate policy regarding the items that should be addressed in case notes.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 623  
May 1, 2023

Subject: Additional Clean-up Related to KTAP/KWP Modernization

### Volume I

MS 0110, Report of Non Receipt of Benefits Issued by Check, is revised to state that a Power of Attorney (POA) may sign form PAFS-60, Affidavit.

MS 0131, Electronic Income Verification (EIV), is revised to state before an online income verification service can be used, it must be approved by Central Office. In addition, it is clarified to state that before EIV information is used, the individual must confirm the information is current and correct and that it is explained in Worker Portal Notes.

### Volume III

MS 2240, KTAP Family with Two Parents, is revised to clarify that only when the KTAP benefits are discontinued for noncooperation, the parents must participate in KWP for 15 days before the KTAP can be approved. If the KTAP benefits are discontinued for any other reason, the 15-day participation is not required before approval.

MS 2410, Excluded Resources, is revised to add savings in ABLE accounts as an excluded resource. This is a result of a clarification.

MS 2510, Excluded Income, is revised to state all income from the VISTA program is excluded. This a result of a federal clarification.

MS 2710, Wages, is revised to remove the special instructions on how to consider VISTA income as it is now excluded entirely. This a result of a federal clarification.

MS 3850, Work Incentive (WIN) Eligibility, is revised to update the Federal Poverty Levels (FPLs) for 2023.

### Volume IIIA

MS 4720, Good Cause for Non Compliance/Non Participation, is revised to state the individual's statement can be accepted as verification of good cause for child care reasons unless questionable.

MS 5385, Authorization and Issuance, is revised to state for expenses of \$300 or more, form KW-32, Authorization for Supportive Services Payments, must be approved/signed by a supervisor before it is given to the individual.

Division of Family Support

Operation Manual  
Transmittal Letter No. 622  
April 15, 2023

Subject: Non-MAGI Medicaid and State Supplementation Resources Updates

Volume IVA

MS 1850, Overview of Resources, is revised for clarity.

MS 1860, Resource Limits, is revised to clarify the resource limit for disabled children and for formatting.

MS 1880, Excluded Resources, is revised to clarify that items acquired or held for their value, such as gems and other collectibles are countable resources. The section is also revised to clarify that tax refunds, advanced tax credits, and Earned Income Tax Credit payments are excluded resources.

MS 1885, Long Term Care Partnership Insurance Program, is revised for formatting and clarity.

MS 1890, Annuities, is revised to remove Non-Institutionalized Hospice as a type of case requiring a signed Declaration of Annuities and is further revised for formatting.

MS 1930, Home Equity Plans, is revised for formatting and clarity.

MS 1970, Liquid Assets, is revised to include consideration of Medicare Set-Aside (MSA) accounts and Mineral and Oil rights as countable resources. The section is further revised for formatting.

MS 1971, Eligibility Advisor (EA), is revised to remove the statement that EA cannot be used to verify the current month's liquid assets and to clarify EA can be used for all programs. The section is further revised for formatting and clarity.

MS 1975, Homestead Property, is revised for formatting and clarity.

MS 1980, Non-Home Real Property, is revised to clarify that workers should assist the individual by contacting the Property Valuation Administrator (PVA) or County Clerk's office to obtain verification prior to issuing a Request for Information (RFI). The section is further revised for formatting.

MS 2010, Trusts, is revised to include an explanation of a trust and for formatting and clarity.

MS 2011, Consideration of Income From A Medicaid Qualifying Trust Established On Or Before 8/10/1993, is revised for formatting and clarity.



## Volume V

MS 2500, Overview of Resources, is revised for clarity.

MS 2600, Consideration of Resources, is revised to include that Eligibility Advisor must be scanned into the Electronic Case File (ECF) if used as verification, Medicare set aside accounts are countable resources, and to clarify income from oil and mineral rights are countable in the eligibility determination.

MS 2700, Excluded Resources, is revised to clarify that items acquired or held for their value, such as gems and other collectibles, are countable resources; and tax refunds, advanced tax credits, and Earned Income Tax Credit (EITC) are excluded for 12 months from the month of receipt.

Division of Family Support

Operation Manual  
Transmittal Letter No. 621  
March 27, 2023

Subject: Follow up to OMTL-616, KTAP Modernization in Volume III

Volume III

MS 2120, KTAP Application/Recertification Interviews, is revised to state Full Family Sanction application interviews and KWP assessments may also be done through DCBS call services.

MS 2210, Technical Eligibility Requirements, is revised to update the school attendance requirement, change the term "minor parent" to "teen parent under age 18", and remove the references to deprivation.

MS 3040, Noncooperation with Child Support Activities, is revised to change the term "minor parent" to "teen parent under age 18".

MS 3050, Good Cause for Noncooperation, is revised to correct the formatting and change the term "minor parent" to "teen parent under age 18". This section is also revised to remove the supervisor or designated representative is to review and approve proposed findings of good cause.

MS 5020, Additional Services for Kinship Care, is revised to update the amount of the educational bonus payment to \$500.

MS 5050, Kinship Care Technical Requirements, is revised to state children 18 or older must attend school or an equivalent secondary program.

MS 5070, Kinship Care Income and Resource Determination, is revised to update the resource limit to \$10,000.

Volume IIIA

MS 4650, Monitoring and Tracking Participation, is revised to change unemployed parent (UP) to two-parent.

Division of Family Support

Operation Manual  
Transmittal Letter No. 620  
3/1/23

Subject: VOL II Overhaul

Volume II

The following manual sections are revised to reflect current SNAP policy as an ongoing process for VOL II revision.

- MS 5050, Countable Resources updated to include Crypto Currency; Revised for formatting and clarity.
- MS 6400, Overview of Application Time Standards to add WPM-041 information at application, update 30/60 section to include reactivation requirements, and examples updated to reflect current policy. Language added for extended RFI when changes are made to a pending case. Revised for formatting and clarity
- MS 6480, Updated to reflect current policy. New section added to include IVR (Interactive Voice Response) information for no-change Mid-reviews completed by phone. Revised for formatting and clarity.
- MS 3220, Safe Allotments, updated to reflect new SAFE allotment amounts.

Subject: Various Updates and Revisions to Volume VIII

Volume VIII

MS 1009, Case Record Content, Categorically Eligible/CE is now a valid verification source for residency.

MS 1510, Content of Interview, Categorically Eligible/CE is now a valid verification source for residency.

MS 1515, Case Action on Applications, added Special Circumstance details.

MS 1525, Homeless Application Process, removed NOTE: If a current out of state ID is used as ID, it may only be used at application; at recertification a Kentucky ID will be required.

MS 3010, Residency Requirements, Categorically Eligible/CE is now a valid verification source for residency.

MS 3040, Eligibility Requirements for Low Income Families, is revised to:

- Add that both adults in the home cannot claim permanent disabilities with the inability to care for the children;
- Remove all references to rounding up for hours worked;
- Add that the client's work hours are not rounded up when being considered for eligibility; and
- Add that parents who are working in a CHFS Licensed facility CAN have their child/children attend at the same location, if they are not a primary caregiver in their child's room.

MS 3530, Self-Employment, removed the 20% earned deduction only under S Corporation as it is not applicable to CCAP.

MS 3540, Calculation of Self-Employment Income, added that self-employment deductions must be verified by a current income tax return with a Schedule C or personal records showing income and copies of receipts for deductions being considered. For CCAP, if an expense is not verified by the RFI due date, the budget uses the after RFI due date calculation as this is not an optional RFI for CCAP and CCAP is denied.

MS 4010, Schedule Options, updates made to provider payment information.

MS 4020, Multiple Providers, added guidelines for "Incomplete Certificates".

Subject: KTAP Modernization in Volume IIIA

This OMTL contains KWP policies and procedures which have resulted from the modernization of the KTAP program.

### Volume IIIA

The Table of Contents is revised to delete the UP Participation in KWP subchapter and MS 4800. In addition, MS 4720 is renamed "Good Cause for Non Compliance/Non Participation"; MS 5355 is renamed "Supportive Services Items Subject to \$600 Limit"; and MS 5375, is renamed "Vehicle Repairs and Expenses".

MS 4005, KWP Participation Requirements, is revised to change the reference to "UP" to "two parent". Also, clarified that attendance in secondary school can be a core participation activity for a teen parent who is head of household and does not have a high school diploma or equivalent.

MS 4217, Coding Vocational Educational Training, is revised to change the reference from "UP" to "two-parent".

MS 4230, Community Service, is revised to change the reference from "UP" to "two-parent".

MS 4245, Calculating Hours of Participation for WEP/COM, is revised to change the reference from "UP" to "two-parent".

MS 4250, Employment, is revised to clarify that in-kind employment arrangements are not acceptable employment hours for KWP participation.

MS 4270, Work Experience Program (WEP), is revised to change the reference from "UP" to "two-parent".

MS 4700, Conciliation Process, is revised to clarify that conciliation also applies to two-parent cases and adds specific procedures for two-parent situations.

MS 4720, Sanction Exceptions and Good Cause, is renamed "Good Cause for Non Compliance/Non Participation". It is revised to add specific instructions for MRT requests for unable to work determinations. In addition, good cause for child care reasons is reworded to state: "The household contains a child under age six and the custodial parent is unable to obtain appropriate and affordable child care." The discrimination categories are reworded and "Reprisal or retaliation for civil rights activity" is added.

MS 4750, Applying the KWP Sanction, is revised to use the terms "one-parent" and two-parent".

MS 4800, Unemployed Parent (UP) Participation, is obsoleted. The information has been moved to MS 4005, MS 4700, and Vol. III, MS 2240.

MS 5270, CCAP for KWP Participation, is revised to change the reference from "UP" to "two-parent".

MS 5300, Transportation Authorization and Issuance Procedures, is revised to increase the payments amounts to: \$300 for 6 or more days in a month; and \$50 for 5 days or less a month.

MS 5350, Overview of Supportive Services, is revised to update the payment amounts for different categories of supportive services.

MS 5355, Support Services Items Subject to \$400 Limit, is renamed "Support Services Items Subject to \$600 Limit" and revised to show \$600 as the new maximum limit.

MS 5365, Fee Payments, is revised to show that required fees shall not exceed \$400 per payment and there's no limit on the number of required fees that can be paid.

MS 5370, Summer School Tuition Payments, is revised to increase the maximum payment amount up to \$2600.

MS 5375, Car Repairs and Expenses, is renamed Vehicle Repairs and Expenses, and is revised to show the increased payment amount as \$3000 per family, and to allow payment for up to 6 months of insurance premiums. Also revised to change the reference from "car" to "vehicle".

Subject: Obsolete Sections due to the Modernization of KTAP

This OMTL is part of the modernization of the KTAP program which has eliminated some of the technical eligibility factors. OMTL-616 provides the revised policy and procedures that are part of the modernization initiative.

The Technical Eligibility: Deprivation subchapter and the sections within that subchapter, MS 2344 - MS 2393 are now obsolete. MS 2340 will move to the subchapter, Technical Eligibility: Requirements. The Unemployed Parent Program (UP) and its sections, MS 3650 – MS 3670 are also obsoleted.

### Volume III

The Table of Contents is revised to remove all the obsoleted section and change the names of the following sections:

- MS 2250, Family with Teen Parents;
- MS 2260, Married Teen under Age 18;
- MS 2326, Teen Parents;
- MS 2340, Joint Custody; and
- MS 2520, Six-Month Earned Income Exclusion.

Subject: KTAP Modernization in Volume III

This OMTL contains policies and procedures which have resulted from the modernization of the KTAP program.

In addition to the changes below, we will be obsoleting the technical eligibility: deprivation subchapter and all the sections within that subchapter, MS 2340 - MS 2393. We will also be obsoleting the Unemployed Parent Program (UP) and its sections, MS 3650 – MS 3670. The obsoleted sections will be included in a separate OMTL along with the updated Table of Contents.

The updated Table of Contents for Volume III is being included in OMTL-617.

#### Volume I

MS 0030, Case Record, is updated to refer to Worker Portal and some minor wording changes.

MS 0140, Acronyms, is revised to removed "QP", qualifying parent, and "UP", unemployment parent from the acronyms.

#### Volume III

MS 2001, KTAP 60-Month Lifetime Limit, is revised to change "minor parents" to "teen parents".

MS 2010, KWP Full Family Sanction, is revised to change "UP" to "two-parent".

MS 2159, Case Notes, is revised to: remove the "Deprivation" section; change the Education age to 18; change the 2-month exclusion to 6-month exclusion; and to change the \$30 and 1/3<sup>rd</sup> deduction to the 50% deduction. Also, the MRT item is revised to state that a referral to MRT is only used to determine good cause for KWP nonparticipation. It is no longer necessary for determination of the deprivation of incapacity.

MS 2200, Family Diversion Program, is revised to remove the reference to deprivation as an eligibility factor.

MS 2215, Technically Excluded Individuals, is revised from "minor" to "teen".

MS 2220, Eligibility Related Disqualifications, is revised to change the school attendance age to 18 and to change "minor" to "teen".

MS 2240, Families with Two Parents is renamed to KTAP Family with Two Parents and is revised to remove the language concerning incapacity or unemployment. Also, provides processing information for reapplications of two parent households due to KWP noncooperation.



MS 2250, Family with Minor Parent is renamed Teen Parents, and now provides info on how to process cases with teen parents.

MS 2260, Married Minors is renamed Married Teens Under Age 18, and is revised to refer to minor parents as teens under age 18.

MS 2310, Age Requirements, is revised to indicate children age 18 have a school attendance requirement to be eligible for KTAP.

MS 2316, School Attendance Requirements, is revised to state children age 18 have to be attending school.

MS 2318, School Attendance Verification, is revised to verify the attendance of children age 18 and teen parents age 18-19.

MS 2326, Minor Parents, is renamed "Teen Parents" and changing "minor" to "teen".

MS 2340, Deprivation and Joint Custody, is renamed "Joint Custody", and the references to deprivation have been removed.

MS 2375, Referral for Child Support Enforcement, is revised to remove the references to deprivation.

MS 2400, Resources - General Information, is revised to increase the resource limit to \$10,000 per family. Also revised to state if the family's reported resources are \$9,500 or less, no verification is required.

MS 2460, Sponsor Resources, is revised to increase the total liquid resources disregard to \$9,500.

MS 2490, Transferred Liquid Resources, is revised to show the new \$10,000 resource limit and to show the new \$2,500 transferred resource disregard.

MS 2512, Excluded Student Income, is revised to change "minor" to "teen".

MS 2520, Two-month Earned Income Exclusion is renamed "Six-Month Earned Income Exclusion" and is revised to expand the two-month income exclusion to six-months. In addition, it is revised to state the six-month exclusion can be used two times in a lifetime and changed the reference to the \$30 and 1/3 deduction to a 50% time-limited deduction.

MS 2810, Determination of Income Eligibility, is revised to reflect the new gross income scale amounts and the new standard of need amounts.

MS 2820, Determination of Benefit Amount, is revised to reflect the new KTAP maximum benefit amount.

MS 2840, Earned Income Deductions, is revised to increase the work expense standard to \$175 and to change the reference to \$30 and 1/3 deduction to the 50% time-limited deduction.

MS 2857, Time-Limited Deduction, is revised to change the \$30 and 1/3 deduction to the 50% time-limited deduction. The 50% deduction is limited to twice in a lifetime.

MS 2880, Determining A KTAP Ineligibility Period, is revised to provide the new amounts for the standard of need.

MS 2895, Ineligibility Period Shortened, is revised to update the example with the new standard of need amounts.

MS 3000, Requirements for Child Support Action, is revised to remove the references to deprivation factors.

MS 3030, Child Support Referral Process, removes the references to deprivation and changed "UP" to "two-parent".

MS 3080, Penalty for Noncooperation, is revised to show the new maximum payment amount in the example.

MS 3700, Educational Bonus, is revised to increase the bonus payment to \$500. In addition, individuals who received an Educational Bonus payment of \$250 prior to 3/1/2023 will not receive an additional \$250 payment.

MS 3750, Relocation Assistance Program (RAP), is revised to increase the payment up to \$1500 for verified moving expenses and to include a new reason for payment for RAP, which is the prevention of homelessness. RAP now can be received once in a 12-month period and again in subsequent 12-month periods. Receipt prior to 3/1/2023 does not count toward the 12-month period.

MS 3770, RAP Application and Payment Process, is revised to increase the payment and that OTIS will not allow more than one payment in a 12-month period.

MS 3850, Work Incentive (WIN) Eligibility, is revised to increase the WIN amount to \$200 per month for 12 cumulative months.

MS 3860, WIN Reimbursement Process, is revised to include the new 12-month cumulative WIN policy to the examples.

MS 5040, Children Not Eligible for Kinship Care, is revised to reflect the new school attendance policy.

Division of Family Support

Operation Manual  
Transmittal Letter No. 615  
February 1, 2023

Subject: Spousal Impoverishment Standards

Volume IVA

MS 1750, Allocations, Allowances, and Standards, is updated to:

- Increase the Community Spouse Resource Allowance minimum from \$27,480 to \$29,724 effective 1-1-2023;
- Increase the Community Spouse Resource Allowance maximum from \$137,400 to \$148,620 effective 1-1-2023;
- Increase the Community Spouse Income Allowance minimum from \$2,178 to \$2,289 effective 7-1-2022;
- Increase the Community Spouse Income Allowance maximum from \$3,435 to \$3,715.50 effective 1-1-2023
- Increase the Community Spouse Minimum Shelter Allowance from \$654 to \$687 effective 7-1-2022;
- Increase the Family Member Income Allowance from \$2,178 to \$2,289 effective 7-1-2022;
- Increase the ineligible sibling allocation to \$457 effective 1-1-23;
- Increase the parental allocation for unearned income to \$934 for one parent and \$1,391 for two parents effective 1-1-23;
- Increase the parental allocation for earned income to \$1,913 for one parent and \$2,827 for two parents effective 1-1-23;
- Increase the Special Income Standard from \$2,523 to \$2,742 effective 1-1-2023; and
- Increase the Supports for Community Living (SCL) standard from \$5,046 to \$5,484 effective 1-1-2023.

MS 1975, Homestead Property, is updated to increase the limit for an individual's equity value in homestead from \$636,000 to \$688,000 effective 1-1-2023.

MS 2130, Resource Assessment, is updated to increase the limit for an individual's equity value in homestead" from \$636,000 to \$688,000 effective 1-1-2023.

MS 2135, Community Spouse Resource Allowance Calculation, is updated to:

- Increase the Community Spouse Resource Allowance maximum from \$137,400 to \$148,620 effective 1-1-2023; and
- Increase the Community Spouse Resource Allowance minimum from \$27,480 to \$29,724.

MS 3480, Deductions and Allowances, is updated to increase Personal Needs Allowance (PNA) for waiver from \$2,543 to \$2,762 effective 1-1-2023.

MS 3550, Long Term Care Individual with Community Spouse, is updated to:

- Increase the Special Income Standard from \$2,523 to \$2,742 effective 1-1-2023;

- Increase the Community Spouse Income Allowance minimum from \$2,178 to \$2,289 effective 7-1-2022;
- Increase the Community Spouse Income Allowance maximum from \$3,435 to \$3,715.50 effective 1-1-2023;
- Increase the Community Spouse Shelter Allowance from \$654 to \$687 effective 7-1-2022;
- Increase the Family Member Income Allowance from \$2,178 to \$2,289 effective 1-1-2023; and
- Increase the telephone standard from \$45 to \$46 effective 10-1-2022.

MS 3910, Medicaid Works Application, is updated to:

- Increase the Substantial Gainful Activity (SGA) standard for a disabled individual from \$1,310 to \$1,470 effective 1-1-2023; and
- Increase the SGA standard for a blind individual from \$2,190 to \$2,460 effective 1-1-2023.

MS 3912, Medicaid Works Substantial Gainful Activity, is updated to:

- Increase the SGA standard for a disabled individual from \$1,310 to \$1,470 effective 1-1-2023; and
- Increase the SGA standard for blind individual from \$2,190 to \$2,460 effective 1-1-2023.

MS 3920, Medicaid Works Financial Eligibility, is updated to increase the Supplemental Security Income (SSI) limit from \$861 to \$914.

MS 4670, Supplemental Security Income Financial Standards, is updated to:

- Increase SSI income standards for an individual from \$841 to \$914 effective 1-1-2023; and
- Increase SSI income standards for a couple from \$1,261 to \$1,371 effective 1-1-2023.

## Volume V

MS 1200, State Supplementation Standards, is updated to increase the following standards:

- Increase the Personal Care Home (PCH) standard from \$1,457 to \$1,530 effective 1-1-2023;
- Increase the Community Integration Supplementation (CIS) standard from \$1,361 to \$1,434 effective 1-1-2023;
- Increase the Family Care Home (FCH) standard from \$1,013 to \$1,086;
- Increase the Caretaker Services Individual standard from \$903 to \$976 effective 1-1-2023;
- Increase the Caretaker Services, Individual with Ineligible Spouse standard from \$903 to \$976 effective 1-1-2023;
- Increase the Caretaker Services, Eligible Couple (one receives care) standard from \$1,322 to \$1,432 effective 1-1-2023; and
- Increase the Caretaker Services, Eligible Couple (both receives care) standard from \$1,376 to \$1,486 effective 1-1-2023.

Division of Family Support

OMTL-614  
R. 01/13/2023

Subject: Additional acronyms added to MS 0140

Volume I

MS 0140, Acronyms, has been revised to add/remove the following acronyms to the section:

APTC	Advanced Premium Tax Credit	MA
CC	Collateral Contact	All Programs
CS	Client Statement	All Programs
EA	Eligibility Advisor	All Programs
EDG	Eligibility Determination Group	
E&T	Employment & Training	SNAP/KTAP
ECE	Expanded Categorically Eligible	SNAP
HH	Household	All Programs
HOH	Head of Household	All Programs
IK	In Kind	SNAP
MAGI	Modified Adjusted Gross Income	MA
MHP	Mental Health Provider	MA
POA	Power of Attorney	MA, State Supp.
QHP	Qualified Health Plan	MA
SI	System Inquiry	All Programs
TOA	Type of Assistance	MA, State Supp.
VES	Vocational Education Skills	SNAP/KTAP
VP	Vendor Payment	SNAP

Removed

ETP	Employment Training Program
HW	Homecare Waiver
OJT	On-the-Job Training
PCA	Personal Care Assistance
PRO-Cert	PRO Certification

Subject: Sanction Process and Other Changes to Volume III

Volume III

MS 2015, Full Family Sanction at Reapplication, is revised to add specific procedures for an individual who stops KWP participation after approval.

MS 2100, Making an Application, is revised to change “benefind” to “kynect” and to update the title of form PA-77 to “Intent to Apply for KTAP, Medicaid, State Supplementation, and/or Child Care Assistance”. It is also revised to remove the requirement for an in-person interview for the KWP assessment and revised to add the date an individual starts an application online is considered the application date.

MS 2110, Standard of Promptness, is revised to clarify that a timely recertification must be completed by the end of the renewal month and revised to clarify that an untimely recertification has 30 days to be completed or has until the last day of the following month, whichever comes first.

MS 2159, Case Notes, is revised to add documentation needs for educational bonus, RAP, and WIN, and to clarify other documentation entries.

MS 2324, KWP Exemption Criteria, is revised to remove the word “client”.

MS 5090, Kinship Care Recertifications and Changes, is revised to clarify the add/reapply option in Worker Portal must be used and a new application must be signed when KC discontinues during the recertification period.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 612  
December 1, 2022

Subject: Changes to Postpartum Coverage and Advance Premium Tax Credit (APTC) eligibility for individuals who later become eligible for Medicare

### Volume IVA

MS 1065, Copay for Medicaid Recipients, is revised to change the 60 day postpartum period for pregnant women to 12 months.

MS 1577, Criteria for Qualified Immigrants, is revised to incorporate policy that pregnant women who meet qualified immigrant criteria are not subject to the 5-year date of entry ban and can receive Medicaid in one of the pregnancy Types of Assistance (TOA) before exploring Emergency Time-Limited Medicaid.

### Volume IVB

MS 1050, Definitions, is revised to change the 60 day postpartum period for a deemed eligible pregnant woman to 12 months. It is also revised to remove non-institutionalized hospice from the Level of Care (LOC) definition as an LOC is no longer received for non-institutionalized hospice.

MS 1070, Categories of Assistance, is revised to:

- Change the 60 days postpartum period for pregnant women to 12 months;
- Add CHPR as a new TOA;
- Add a chart with the Federal Poverty Levels (FPL) for each pregnancy TOA; and
- Update the FPL of the CHEX TOA.

MS 1075, Type of Assistance, is revised to add CHPR as a new TOA.

MS 1950, Copay for Medicaid Recipients, is revised to change the 60 day postpartum period for pregnant women to 12 months.

MS 2152, Criteria for Qualified Immigrants, is revised to incorporate policy that pregnant women who meet qualified immigrant criteria are not subject to the 5-year date of entry ban and can receive Medicaid in one of the pregnancy TOA's before exploring Emergency Time-Limited Medicaid.

MS 2600, Pregnancy, is revised to:

- Change the 60 day postpartum period to 12 months;
- Add CHPR as a new TOA;
- Add policy regarding CHPR; and
- Add that the 5-year date of entry ban is waived for pregnant qualified immigrants.

MS 2910, Income Scales, is revised to

- Clarify that the 5% disregard is allowed for the CHEX TOA;

- Update the FPL for the CHEX TOA; and
- Add the CHPR TOA.

MS 4303, Advance Premium Tax Credit, is revised to explain when individuals are dually eligible for Qualified Health Plan/Advance Premium Tax Credit enrollment and Medicare.



Division of Family Support

Operation Manual  
Transmittal Letter No. 611  
November 1, 2022

Subject: Revisions to Volume I MS 0870 & 1110

MS 0870, General Procedures for All Claims, is revised to add steps N. and O. for State Supplementation and SAFE claims using form PAFS-431, Claim Referral. Format updated for H.

MS 1110, Intentional Program Violation Disqualification Penalties, is revised to update L. for clarity.

Division of Family Support

Operation Manual  
Transmittal Letter No. 610  
October 24, 2022

Subject: Child Care Employee Exclusion and Resources and Other Updates

Volume VIII

MS 1020, Definitions, added definitions for Child Care Employee Exclusion and Resources.

MS 1515, Case Action on Applications, updated verbiage for 12-month eligibility.

MS 3040, Eligibility Requirements for Low Income Families, added Child Care Employee Exclusion/Protected Population.

MS 3580, Child Care Resource Limits, added verbiage to Child care Resource Limits.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 609  
October 1, 2022

Subject: FY 2023 Annual Cost-of-Living Adjustments (COLA) for Income Standards and Shelter Deductions

### Volume II

The following manual sections are revised to reflect the annual COLA for Fiscal Year 2023 changes for income eligibility scales, standard deductions, homeless shelter deduction, and Basis of Issuances (BOI).

[MS 5000](#), Resource Maximums, is revised to reflect the updated resource limits for elderly/disabled and all other households.

[MS 5200](#), Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165% Gross, and 200% Gross Income scales, and both the income and income limits listed in the example are updated.

[MS 5400](#), Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 1-6+), the Maximum Shelter Deduction, and the Homeless Shelter Deduction.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to reflect the updated Homeless Shelter Deduction.

[MS 5800](#), Calculation of Allotment, is revised to reflect the updated annual COLA change for the Maximum Shelter Deduction, Maximum SNAP Benefit Allotments for household sizes 1-8 and each additional member, and minimum allotment for a one to two person household.

[MS 5810](#), Special Procedures for Calculations, is revised to reflect the updated Homeless Shelter Deduction.

[MS 9010](#), DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, Maximum Shelter Deduction for a household of 4, and the example calculations.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 608  
September 15, 2022

Subject: Various updates to Volume IVA and Volume IVB

### Volume IVA

Table of Contents is revised to remove MS 1590, MS 1620, MS 3190, MS 3200, and MS 3250. The Table of Contents is also revised to change the titles of MS 3050, MS 3180, and MS 3260.

MS 1580, Residency, is revised to add policy regarding individuals in Spouse Abuse Centers and out of state placements.

MS 1590, Placement by Another State, has been obsoleted as this policy was incorporated into MS 1580.

MS 1600, Incarceration, is revised to clarify that individuals furloughed from a prison/jail are not considered incarcerated.

MS 1620, Spouse Abuse Center, has been obsoleted as this policy was incorporated into MS 1580.

MS 1630, Emergency Shelter, is revised for clarity.

MS 1660, Third Party Liability (TPL), is revised to clarify that a new record must be added on the Third Party Liability screen in Worker Portal during each application, case change, and recertification.

MS 2120, Special Resource Considerations For An Institutionalized Spouse With A Community Spouse, is revised to:

- Remove the reference to "Form PA-22, Resource Assessment", and replace with "A Resource Assessment on Worker Portal";
- Remove reference to form" PA-1A, Supp C, Institutionalized Spouse Resource and Income Statement", and replace with "LTC Resource Transfer screen";
- Remove the reference to "spot checks" and replace with the notice Worker Portal will issue KIP-105.11, Resource Transfer Content; and
- Format.

MS 2140, Resource Eligibility Determination For Applicants With A Community Spouse is revised to:

- Remove the reference to "Form PA-22, Resource Assessment", and replace with "Complete a pre-application, also known as a standalone, Resource Assessment, or an in-application Resource Assessment on Worker Portal";
- Remove reference to form" PA-1A, Supp C, Institutionalized Spouse Resource and Income Statement", and replace with "LTC Resource Transfer screen" and "LTC Income Statement screen". Adding "Both screens must be read to the individual. Case notes must be entered that each screen was read and understood by the individual"; and
- Format.

MS 2150, Patient Liability Transfer Of Resources is revised to:

- Remove the reference to "Form PA-22, Resource Assessment", and replace with "A standalone Resource Assessment on Worker Portal".
- Remove reference to form" PA-1A, Supp C, Institutionalized Spouse Resource and Income Statement", and replace with "LTC Resource Transfer screen" and "LTC Income Statement screen". Both screens must be read to the individual. Case notes must be entered that each screen was read and understood by the individual; and
- Format.

MS 2160, Additional Considerations is revised to clarify how individuals with estranged spouses assign support rights to the Commonwealth by agreeing to and signing PA-1A, Supp C III, Assignment of Support Rights, and for formatting.

MS 2170, Recertification/Interim, is revised to clarify that Worker Portal will issue discontinuation notice and for formatting.

MS 3050, Scope of Program, is revised to:

- Change the title to Scope of Hospice Program;
- Update to replace the Department for Community Based Services (DCBS) with the Department for Medicaid Services (DMS) as contact for Hospice forms;
- Remove references of KAMES; and
- Format.

MS 3060, Hospice Rates, is updated with the current rates and revised for formatting.

MS 3070, Hospice Technical Eligibility Requirements, is revised to replace DCBS with DMS as the contact for Hospice form. This section is further revised for formatting.

MS 3180, Institutional Hospice MA Eligibility Determination, is revised to:

- Change the title to Institutionalized Hospice MA Eligibility Determination and Effective Date;
- Incorporate policy MS 3190; and
- Format and clarify.

MS 3190, Institutional Hospice MA Effective Date, is obsoleted as this policy has been incorporated into MS 3180.

MS 3200, Institutional Hospice Patient Liability, is obsoleted as this policy is found in MS 3210 and MS 3230.

MS 3210, Institutionalized Hospice Individual, is revised for formatting.

MS 3220, Institutionalized Hospice Child, is revised for clarity and formatting.

MS 3230, Institutionalized Hospice Individual with Non-Hospice Spouse, is revised to remove references of KAMES and is further revised for clarity and formatting.

MS 3240, Institutionalized Hospice Couple, is revised to remove references of KAMES and is further revised for clarity and formatting.

MS 3250, Institutional Hospice Income and Resource Consideration, is obsoleted as this policy is found in MS 3210, 3220, 3230 and 3240.

MS 3260, Institutional Hospice Case Action, is revised to:

- Change to title to Institutionalized Hospice Case Action;
- Replace DCBS with DMS as the contact for hospice forms; and
- Remove references of KAMES.

#### Volume IVB

Table of Contents is revised to add Manual Section 2310, Third Party Liability.

MS 2310, Third Party Liability (TPL), is created to explain Third Party Liability requirements for MAGI Medicaid.

Division of Family Support

Operation Manual  
Transmittal Letter No. 607  
September 1, 2022

Subject: Revisions to Volume I MS 1020

MS 1020, Trafficking and Retailer Fraud, is revised to clarify when an appointment is needed for subsequent excessive card tasks. Also, it is updated to clarify that staff are to discuss proper card security and use when initial excessive card tasks are scheduled. Updated grammatical and word changes throughout.

Division of Family Support

Operation Manual  
Transmittal Letter No. 606  
September 2, 2022

Subject: Transitional Child Care and Claim Repayments updates

Volume VIII

MS 1020, Definitions, is revised to update the Transitional Child Care/TCC definition to reflect that TCC can be received for six months.

MS 2505, Child Care Income Limits, is revised to provide additional information about Transitional Child Care/TCC eligibility rules.

MS 6060, Claims Repayments, is revised to update the delinquent provider claim process.



Division of Family Support

Operation Manual  
Transmittal Letter No. 605  
September 1, 2022

Subject: Confidentiality, Notification Requirements, and Relationship Updates

Volume I

MS 0150, Confidentiality Requirements, is revised to add information on maintaining confidentiality when using voicemail.

Volume III

The Table of Contents is revised to remove MS 2397, Quality Control Cases Involving MRT.

MS 2190, Notification Requirements, is revised to include the option for electronically issued correspondence.

MS 2329, Verification of Relationship, is revised to clarify that the immigrant's statement of relationship can be accepted as verification in the absence of written documentation.

MS 2397, Quality Control Cases Involving MRT, is obsoleted effective 9/1/22 because the process is automated now.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 604  
August 16, 2022

Subject: Changes to KCHIP Program

A change was made in Worker Portal to obsolete the CHIP Type of Assistance and increase the Federal Poverty Level of the CHEX Type of Assistance, which is part of the KCHIP Program. This OMTL is created to update policy to reflect these changes.

### Volume IVA

MS 3300, Who is Eligible for LTC Vendor Payment, is revised to remove references to Family Medicaid, AFDC Related Medicaid, the KCHIP Type of Assistance (TOA), and KAMES categories. The section has been further revised for formatting and clarity.

### Volume IVB

MS 1070, Categories of Assistance, is revised to remove references to the CHIP TOA and to update the Federal Poverty Level limits for the CHEX TOA to 213% and 218% with the 5% disregard.

MS 1075, Type of Assistance, is revised to remove the KCHIP TOA.

MS 2000, MAGI Medicaid with Level of Care, is revised to remove references to the CHIP TOA.

MS 2910, Income Scales, is revised to remove references to the CHIP TOA, clarify that the CHEX TOA is allowed the 5% disregard, and to update the Federal Poverty Level limits for the CHEX TOA to 213% and 218% with the 5% disregard.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 603  
August 1, 2022

Subject: Updates to Volume I, Volume IVA, Volume IVB, and Volume V

### Volume I

The Table of Contents is revised to change the titles of MS 0560, MS 0562, and MS 0565.

MS 0560, Documentation of Alien Status, is revised to change the title to Documentation of Immigrant Status and to update "Alien" to "Immigrant".

MS 0562, Documentation for Alien Victims of Trafficking, is revised to:

- Change the title to Documentation for Immigrant Victims of Trafficking;
- Update "Alien" to "Immigrant";
- Update "food benefits" to "SNAP";
- Remove the Trafficking Verification Line to the Office of Refugee Resettlement (ORR) email;
- Remove spot checks and DCSR's; and
- Clarify the ORR process at recertification.

MS 0565, Immigrants Sponsored On or After 12/19/97, is revised to update "Alien" to "Immigrant".

MS 0566, Consideration of the Sponsor's Income and Resources, is revised to update "Alien" to "Immigrant".

MS 0570, SAVE, is revised to update "Alien" to "Immigrant" and for clarity.

MS 0590, Federal Benefit Changes, is revised to:

- Update "KAMES" to "Worker Portal";
- Remove KAMES report titles "IM Active Case with RR Benefits, IM Active Cases with VA Benefits, and IM Active Cases with Black Lung Benefits" and replace with Worker Portal report title "Active Cases with Black Lung, Railroad Retirement, or Veterans Income";
- Update "IM" to "Medicaid and KTAP";
- Update "FS" to "SNAP";
- Update "IMS Inquiry program HR39" to "BENDEX Inquiry"; and
- Clarify that the cents must be dropped when entering the "NET" amount for RSDI on Worker Portal for Medicaid.

MS 0740, SOLQ, is revised to replace KAMES with Worker Portal. It is also revised for clarity.

### Volume IVA

The Table of Contents is revised to add new manual sections, remove the obsoleted manual sections, and to change the titles of some of the manual sections.

MS 1010, Non-MAGI MA Definitions, is revised to add the definition of Long Term Care and Reasonable Compatibility.

MS 1578, Emergency Time-Limited Medicaid, is revised to:

- Incorporate policy that there is no Spend Down eligibility or Long Term Care (LTC) eligibility in Emergency Time-Limited Medicaid;
- Incorporate policy that an ongoing chronic medical condition does not in itself constitute an emergency medical condition; and
- Format.

MS 1579, Extension of Emergency Time-Limited Medicaid, is revised to:

- Add information regarding DMS Review Tasks and processes;
- Remove previous procedures for sending extension requests to MSBB; and
- Format.

MS 1850, Overview of Resources, is revised to add detailed information regarding reasonable compatibility. It is further revised for clarity and formatting.

MS 1880, Excluded Resources, is revised to add information regarding how VA Aid & Attendance payments and payments from General Electric (GE) Retiree Reimbursement Accounts are considered in the Medicaid eligibility determination. It is further revised for clarity and formatting.

MS 1900, Life Expectancy Table, is revised to update with the current amounts.

MS 1960, Lifetime Care Agreement, is revised to include instructions on how to distinguish a Lifetime Care Agreement from a personal care agreement. It is further revised for clarity and formatting.

MS 1965, Reasonable Compatibility, is created to add detailed information regarding reasonable compatibility for Non-MAGI Medicaid.

MS 2220, Annuities, is revised to change the title to Unearned Income. The following manual sections have been obsoleted and the information incorporated into this manual section.

- MS 2230, Child and Spousal Support
- MS 2240, Contributions
- MS 2250, Farm/Business
- MS 2260, Home Equity Plans
- MS 2270, Income Supplementation
- MS 2290, Loans
- MS 2310, Long Term Care Insurance
- MS 2315, Lottery and Gambling winnings
- MS 2320, Other Unearned Income
- MS 2330, Promissory Notes, Loans, Mortgages, and Land Contracts
- MS 2350, SSI

MS 2470, Excluded Income, is revised to include information regarding how VA Aid & Attendance payments are considered and how payments from General Electric (GE) Retiree Reimbursement Accounts are considered. It is further revised for clarity and formatting.

MS 2600, Companion Cases Introduction, is obsolete as this policy no longer applies.

MS 2730, Allowable Spend Down Medical Expenses, is revised to add that Non-Institutionalized Hospice expenses are allowable.

MS 2805, Waiver Overview, is created to explain the application process and case actions for individuals receiving waiver services. The following manual sections have been obsoleted and incorporated into this section:

- MS 2820, Technical Eligibility Requirements
- MS 2830, Eligibility Determination Procedures
- MS 2890, SCL Case Action
- MS 2910, Technical Eligibility Requirements
- MS 2920, Medicaid Eligibility
- MS 2980, Income and Resource Consideration
- MS 2990, HCBS Case Action
- MS 3005, ABI Medicaid Eligibility Determination

MS 2810, SCL Waiver Program, is revised for formatting and clarity.

MS 2815, Michelle P. Waiver, is revised for formatting and clarity.

MS 2816, HCBS Waiver Program, is created to incorporate and clarify policy from obsoleted MS 2900.

MS 2817, ABI Waiver Program, is created to incorporate and clarify policy from obsoleted MS 3000.

MS 2818, ABI Long Term Care (LTC) Waiver, is created to incorporate and clarify policy from obsoleted MS 3030.

MS 2840, SCL Individual, is revised to change the title to Waiver Individual. The following manual sections have been obsoleted and incorporated into the section.

- MS 2880, Income and Resources
- MS 2930, HCBS Patient Liability
- MS 2940, HCBS Individual
- MS 3010, Acquired Brain Injury (ABI Patient Liability Determination)
- MS 3015, ABI Individual
- MS 3025, ABI Income and Resource Consideration

The section is also revised to clarify how to determine income eligibility for an individual receiving waiver services.

MS 2850, SCL Child, is revised to change the title to Waiver Child. The following manual sections have been obsoleted and incorporated into the section.

- MS 2880, Income and Resources
- MS 2930, HCBS Patient Liability
- MS 2950, HCBS Child Living with Parent

The section is also revised to clarify how to determine income eligibility for a child receiving waiver services.

MS 2860, SCL Individual with Non-SCL Spouse, is revised to change the title to Waiver Individual with Community Spouse. The following manual sections have been obsoleted and incorporated into the section.

- MS 2880, Income and Resources
- MS 2930, HCBS Patient Liability
- MS 2960, HCBS Recipient with Non-HCBS Spouse
- MS 3010, Acquired Brain Injury (ABI Patient Liability Determination)
- MS 3017, ABI Recipient with Non-ABI Spouse
- MS 3025, ABI Income and Resource Consideration

The section is also revised to clarify how to determine income eligibility for a couple with one receiving waiver services.

MS 2870, SCL Couple, is revised to change the title to Waiver Couple. The following Manual sections have been obsoleted and incorporated into the section.

- MS 2880, Income and Resources
- MS 2930, HCBS Patient Liability
- MS 2970, HCBS Recipient with HCBS Spouse
- MS 3010, Acquired Brain Injury (ABI Patient Liability Determination)
- MS 3020, ABI Recipient with ABI Spouse
- MS 3025, ABI Income and Resource Consideration

The section is also revised to clarify how to determine income eligibility for a couple with both receiving waiver services.

MS 2900, HCBS Waiver Program, is obsolete as this policy has been moved to MS 2816.

MS 3000, ABI Waiver Program, is obsolete as this policy has been moved to MS 2817.

MS 3030, ABI Long Term Care (LTC) Waiver, is obsolete as this policy has been moved to MS 2818.

MS 3100, Non-Institutional Hospice Medicaid Eligibility, is revised to add new policy that a Level of Care (LOC) will not be received for Non-Institutionalized Hospice, services are paid through a Managed Care Organization (MCO), the special income standard will not be used, and there is no patient liability.

MS 3110, Non-Institutional Hospice MA Effective Date, is obsolete as this policy no longer applies.

MS 3120, Non-Institutional Hospice Patient Liability, is obsolete as this policy no longer applies.

MS 3130, Non-Institutionalized Hospice Individual or Child Living with Parents, is obsolete as this policy no longer applies.

MS 3140, Non-Institutionalized Hospice Couple, is obsolete as this policy no longer applies.

MS 3150, Non-Institutionalized Hospice Applicant with Non-Hospice Spouse, is obsolete as this policy no longer applies.

MS 3160, Non-Institutional Hospice Income and Resource Consideration, is obsolete as this policy no longer applies.

MS 3170, Non-Institutional Hospice Case Action, is obsolete as this policy no longer applies.

MS 3420, Medicare Recipient in LTC, is obsolete.

MS 3430, Medicare and Medicaid Recipient in LTC, is obsolete.

MS 3460, Countable Income for Patient Liability Determination, is revised to add to consider dividends and interest income only if it is paid directly to the individual, community spouse, or parent of a disabled child.

MS 3920, Medicaid Works Financial Eligibility, is revised to reflect the new poverty level income limits for 2022. It is also revised to update the unearned income limit for Medicaid Works to \$861.

MS 3940, Denial/Discontinuance Codes for Medicaid Works, is obsolete as this policy no longer applies.

MS 4730, Third Party Liability and Medical Support Enforcement for SSI Recipients, is revised to add policy that if a Supplemental Security Income (SSI) individual starts cooperating with Medical Support Enforcement (MSE), verification of cooperation must be provided.

## Volume IVB

The Table of Contents has been revised to add a new manual section.

MS 2165, Identity Requirements, is created to incorporate policy regarding identity.

MS 2910, Income Scales, is revised to remove the Federal Poverty Level (FPL) chart for MAGI Medicaid as it is on Worker Portal. It is also revised to update the 2022 FPLs for Advance Premium Tax Credit (APTC).

MS 3300, Tweeners, is revised to update the FPLs in the calculations.

MS 4000, Transitional Medical Assistance, is revised to clarify that the parent/caretaker relative must have correctly received Medicaid in the PACA Type of Assistance (TOA) in 3 of the prior 6 months to be eligible for Transitional Medical Assistance (TMA).

MS 4305, Cost Sharing Reduction, is revised to update the out-of-pocket maximum amounts for 2022.

## Volume V

MS 1800, State Supplementation Categories, is revised to clarify the following Community Integration Supplementation (CIS) policy:

- If an individual owns their home, they must provide verification showing they are the homeowners;

- Verification must specify the major area(s) of living that the serious mental illness impairs or impedes and give examples of major area(s) of living;
- Additional verification must be requested if Medicaid is paying for all of the services provided on the documentation that was returned; and
- The State Supplementation payment can only be used for services needed to help the individual remain living in the community.

MS 2400, Income Calculations for Couples, is revised to clarify calculations for couples with one receiving CIS.



Division of Family Support

Operation Manual  
Transmittal Letter No. 602  
July 29, 2022

Subject: CCAP Reactivate Functionality

Volume VIII

MS 1515, Case Action on Applications, is revised to add reactivate functionality for Applications and Renewal processes.

MS 1520, Standard of Promptness for Applications, is revised to remove language that no longer applies due to new reactivate functionality being added.

Division of Family Support

Operation Manual  
Transmittal Letter No. 601  
July 5, 2022

Subject: Employment Skills Training (EST) Information

Volume III

Table of Contents is revised to change the title of MS 5090 to “Kinship Care Recertifications and Changes”.

MS 2175, Processing Recertifications and Changes, is revised to add procedures for the 10-day grace period for Kinship Care cases.

MS 2610, Child Support and/or Spousal Support, is revised to state that escrow child support payments are no longer considered in the KTAP budget.

MS 5090, Kinship Care Recertifications and Changes, is revised to included “Changes” to the title, and to add information about processing changes.

Volume IIIA

Table of Contents is revised to include the new manual section, MS 4353, Employment Skills Training (EST).

MS 4005, KWP Participation Requirements, is revised to state Employment Skills Training (EST) may count as non-core activity if the core requirement is met or can be considered a non-core allowable activity.

MS 4215, Short-Term Training, is revised to increase the limit of \$500 to \$1,000 for which prior approval from Family Self-Sufficiency Branch (FSSB) is needed before authorizing a short-term training expense.

MS 4350, Non-Core and Allowed Activities, is revised to include information for EST.

MS 4353, Employment Skills Training (EST), is created to provide specific information concerning EST.

Division of Family Support

Operation Manual  
Transmittal Letter No. 600  
July 1, 2022

Subject: Miscellaneous Revisions to Volume III

Volume III

MS 2015, Full Family Sanction at Reapplication, is revised to state that FFS interviews may be completed in person or by call services.

MS 2180, Supplemental and Special Circumstance Payments, is revised to state supplemental payments are not issued on pending cases. It is also revised to specify that supplemental payments are issued to the EBT account or to the direct deposit account, as appropriate.

MS 2310, Age Requirements, is revised to add Social Security Administration to the list of acceptable verification sources for age requirements.

MS 2513, Complementary Program Income, is revised to remove the hyphen from KTAP.

MS 2618, Cash Gifts, is revised to remove the hyphen from KTAP.

MS 5050, Kinship Care Technical Requirements, is revised to clarify that a child may remain KC eligible if temporarily absent from the home and the absence reason meets the criteria in MS 2338 with the exception of situations cited in item I of MS 5050.

Subject: Various updates and revisions to Volume VIII

Volume VIII

MS 1010, Case Documentation, is revised to add that Eligibility Advisor must be ran for every application and/or renewal.

MS 1500, General Procedures for Applications/Reapplications, is revised to remove the words "physically" or "mentally" that were used to describe disabled.

MS 2505, Child Care Income Limits, is revised with the change of income limits to 85% of the State Median Income (SMI) at intake, case change and renewal.

MS 3050, Technically Ineligible Families, is revised to add updated language for parents/stepparents receiving CCAP while working in licensed or certified child care facilities.

MS 4010, Schedule Options, is revised to add verbiage regarding children that are homeschooled and receiving CCAP.

Division of Family Support

Operation Manual  
Transmittal Letter No. 598  
July 1, 2022

Subject: Revisions to Volume I MS 0360, 0380, 0810, 0920, & 1110

Volume I

MS 0360, The Quality Control System, is revised to update verbiage and formatting throughout section. Examples have been revised. Reference to "negative" QC error has been updated to "CAPER" and description updated.

MS 0380, Local Action on QC Findings, is revised to update verbiage and formatting throughout section. Steps to be taken when case is cited in error has been updated and steps added. Letter added regarding comment entry requirement.

MS 0810, How To Identify A Claim, is revised to update verbiage and formatting throughout section, to include all Detection Codes, and remove duplications of C. in D.

MS 0920, Fraud "Hotline" Referrals, is revised to update verbiage and formatting throughout section.

MS 1110, Intentional Program Violation Disqualification Penalties, is revised to update verbiage and formatting throughout section and add examples.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 597  
June 1, 2022

Subject: Various Revisions to Volume IVA, Volume IVB, and Volume V

### Volume IVA

MS 1346, Exempt/Non Exempt Managed Care Recipients, is revised to explain that individuals who are dually eligible for Medicaid and the Medicare Savings Program can continue to be enrolled in a Managed Care Organization (MCO) unless exempt for another reason.

MS 1371, Authorized Representative, is revised to:

- Add that an interview can be completed with an Authorized Representative (AR) without AR designation verification however, the case will pend for designation verification;
- Clarify that if an applicant states they would like to name an AR at the time of interview, form MAP-14, Authorized Representative, must be provided;
- Explain when form MAP-14 is received action must be taken to add the AR to the case;
- Explain that Department employees (those who work in Family Support) involved in the certification and/or issuance processes cannot be an authorized representative unless there is written approval from the Service Region Administrator (SRA) or designee, and only if a determination is made that no one else is available to serve;
- Clarify that upon a member's death, AR designation is no longer valid; and
- Update the link to access form MAP-14.

MS 2037, Prearranged Funeral Contracts, is revised to explain that contracts funded by life insurance are not considered to be funded if verification of irrevocable assignment is not provided and to clarify the considerations for prearranged funeral contracts funded by cash and a combination of sources. The section is further revised for clarity and formatting.

MS 2050, Transfer of Resources, is revised to:

- Explain how transfer of resources made by the community spouse should be considered for the institutionalized spouse;
- Explain how transfers of resources made when both spouses are institutionalized should be considered;
- Correct the reference to the manual section regarding SSI individuals who transfer resources to MS 4740;
- Remove Mental Health/Psychiatric Facility and Psychiatric Residential Treatment Facility (PRTF) from the types of care that are not subject to transfer of resource penalties as these types are more comparable to a hospital stay than Long Term Care (LTC);
- Clarify that the Office of Legal Services (OLS) determines how DCBS should consider trusts for Medicaid purposes; and
- Explain policy regarding Programs of All-Inclusive Care for the Elderly (PACE) and Institutionalized Programs of All-Inclusive Care for the Elderly (IPACE).

MS 2070, Exceptions to Transfer of Resources, is revised to remove the exception for trusts established for the benefit of a disabled child as OLS determines if a trust should be considered a prohibited transfer of resources. The section has been further revised for formatting and clarity.

MS 2080, Consideration of Transferred Resources, is revised to:

- Add the 2022 Transfer of Resource Divider and update related examples;
- Explain that the 60 month look back period begins during the three months prior to the application month if retroactive coverage is requested; and
- Clarify and format.

MS 2310, Long Term Care Insurance, is revised to add information that LTC insurance payments are not considered in the calculation to determine if a Qualified Income Trust (QIT) is required.

MS 3505, Qualifying Income Trusts, is revised to:

- Provide policy on who can sign the QIT document;
- Explain that a resident trust account cannot be designated as a QIT account; and
- Clarify.

MS 3530, LTC Individual, is revised to add third party payments, such as LTC insurance, to the patient liability determination.

#### Volume IVB

MS 1200, MAGI Medicaid Application/Interview Process, is revised to add Case Notes must include that retroactive Medicaid was explored and any months coverage is requested by the applicant. It is further revised for clarity and format.

MS 1600, Retroactive Medicaid, is revised to add Case Notes must include that retroactive Medicaid was explored and any months requested by the applicant. It is further revised for formatting.

#### Volume V

MS 1400, Application Process, has been revised to explain the applicant may request a 15 day extension to return requested verification. This extension only applies to applications.

Subject: Various updates and revisions of Volume II.

## Volume II

MS 2200, is revised to include definition of Boarders and revised overall for clarity.

MS 2300, Language and formatting in C, D and E revised for clarity.

MS 2330, is revised to change references from clients to individuals. C. revised to include examples for improved understanding.

MS 2350, Language and formatting in B. revised for clarity.

MS 2370, Language and formatting in A. revised for clarity.

MS 2460, Language and formatting in C. and D. revised for clarity.

MS 2500, Language and formatting revised for clarity and included the definition for battered individuals and children.

MS 2510, is revised to include introductory paragraph. Language and formatting revised for clarity.

MS 5200, is revised for clarity and add examples.

MS 6100, language and formatting revised for clarity.

MS 7050, Language and formatting revised for clarity, additionally electronic signatures are added in F, and examples are added in A.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 595  
May 4, 2022

Subject: Revisions to the Timeframe for Return of Verification and Other Changes

### Volume I

MS 0310, Time Limit for Using EBT Benefits, is revised to state the EBT expungement date for SNAP is 9 months and revised to remove reference to KAMES.

### Volume III

MS 2015, Full Family Sanction at Application, is revised to state to pend the application for 30 days.

MS 2130, Assessment Procedures, is revised to state that the application will pend for 30 days for completion of the assessment.

MS 2159, Case Notes, is revised to state when required, document how "No Income" is verified.

MS 2175, Processing Recertifications and Changes, is revised to expand the timeframe for returning mandatory verification for KTAP recertifications.

MS 2318, School Attendance Verification, is revised to clarify that home schooling records/statement from the individual can be used as verification. The record or statement must include the enrollment and expected graduation dates.

MS 2332, Enumeration, is revised to allow Form I-765 or letter from Office of Refugee Admissions, Bureau of Population, Refugees, and Migration, U.S. Department of State stating the individual has applied for an SSN as verification source.

MS 2344, Death, is revised to clarify Death, if verified, is the deprivation if the child was born **in** wedlock and the parent being deceased is the only reason the father of the child is absent. Death due to the death alleged father is not appropriate for a child born out of wedlock.

MS 2365, Birth Out-Of-Wedlock, is revised to clarify that once BOW is entered as the deprivation, it is **not** changed. It also clarifies that death of the alleged father does not change the deprivation of BOW.

MS 2375, Referral for Child Support Enforcement, is revised to remove the statement, "This would also apply to an alleged father who is deceased."

MS 2500, Income – General Information, is revised to clarify if the individual reports and verifies the loss of income in the past 30 days, it is not necessary to verify no income.

MS 3850, Work Incentive (WIN) Eligibility, is revised to update the Federal Poverty Level amounts for 2022. A statement is added to review the WIN status in OTIS and correct the status if incorrect.

MS 5090, Kinship Care Recertifications, is revised to expand the timeframe for returning mandatory verification for Kinship Care recertifications.

Division of Family Support

Operation Manual  
Transmittal Letter No. 594  
5/1/2022

Subject: Scanning Eligibility Advisor verification to Electronic Case File.

Volume I

**MS 0030**, Section, A. 4) updated to include a note stating that when Eligibility Advisor (EA) is used as verification, a copy must be included in the case record.

Division of Family Support

Operation Manual  
Transmittal Letter No. 593  
April 15, 2022

Subject: Various updates to Volume IVA, Volume IVB, and Volume V

Volume IVA

MS 1750, Allocations, Allowances, and Standards, is revised to update the following:

- Non-Institutionalized Hospice Personal Needs Allowance (PNA) increased to \$861;
- Waiver Services PNA increased to \$2,543;
- Minimum Community Spouse Resource Allowance increased to \$27,480;
- Maximum Community Spouse Resource Allowance increased to \$137,400;
- Minimum Community Spouse Income Allowance increased to \$2,178;
- Maximum Community Spouse Income Allowance increased to \$3,435;
- Community Spouse Minimum Shelter Allowance increased to \$654.
- Family Member Income Allowance increased to \$2,178;
- Blind or Disabled Child Allocations:
  - The Parental allocations for unearned income is increased:
    - One Parent \$861
    - Two Parent \$1,281
  - The Parental allocations for earned income is increased:
    - One parent \$1,767
    - Two Parent \$2,607
- Special Income Standard increased to \$2,523; and
- The Supports for Community Living (SCL) standard increased to \$5,046.

MS 1975, Homestead Property, is revised to update the homestead equity limit to \$636,000.

MS 2130, Resource Assessment, is revised to update the homestead equity limit to \$636,000. It is also revised to remove "tax" as a family member must be claimed as a dependent of the institutionalized individual and not just a tax dependent.

MS 2135, Community Spouse Resource Allowance Calculation, is revised to:

- Update the Community Spouse Minimum Resource Allowance to \$27,480; and
- Update the Community Spouse Maximum Resource Allowance to \$137,400.

MS 3480, Deductions and Allowances is revised to update the monthly PNA for waiver services to \$2,543.

MS 3550, Long Term Care Individual with Community Spouse, is revised to update the following:

- Special Income Standard increased to \$2,523;
- Minimum Community Spouse Income Allowance increased to \$2,178;
- Maximum Community Spouse Income Allowance increased to \$3,435;
- Family Member Income Allowance increased to \$2,178; and
- Community Spouse Minimum Shelter Allowance increased to \$654.

MS 4330, Financial Eligibility for QDWI, is revised to update the income limit for 2022.

MS 4450, Resource Limits for Medicare Savings Program, is revised to update the resource limits for QMB, SLMB, and QI1.

MS 4455, Income Limits for Medicare Savings Program, is revised to update the income limits for 2022.

MS 4670, Supplemental Security Income Financial Standards, is revised to update the following standards:

- SSI income standard for an individual increased to \$841; and
- SSI income standard for a couple increased to \$1,261.

#### Volume IVB

MS 3190, Countable Income, is revised to remove the 2019 earned income threshold for children required to file taxes.

MS 3200, Excluded Income, is revised to clarify a dependents income is excluded when the dependent's income is below the limit required to file Federal Income Taxes.

#### Volume V

MS 1200, State Supplementation Standards, is revised to update the following standards and to incorporate the new standards in the examples:

- Personal Care Home (PCH) standard to \$1,457 effective January 1, 2022;
- Community Integration Supplementation (CIS) standard to \$1,361 effective January 1, 2022;
- Family Care Home (FCH) standard to \$1,013 effective January 1, 2022;
- Caretaker Services standards for an individual and an individual with an ineligible spouse to \$903 effective January 1, 2022;
- Caretaker Services standard for an eligible couple (one receiving care) to \$1,322 effective January 1, 2022; and
- Caretaker Services for an eligible couple (both receiving care) to \$1,376 effective January 1, 2022.

Division of Family Support

Operation Manual  
Transmittal Letter No. 592  
March 1, 2022

Subject: Updates and Revisions to Volume I

Organization and formatting are updated throughout.

MS 0870, General Procedures for all Claims, is revised to explain what actions should be taken for claim referral and establishment.

MS 0880, General Procedures for a Suspected Fraud Claim, is revised for clarity.

MS 1070, Administrative Disqualifications Hearings, is revised clarity and removed A.4.

MS 1100, Regional Claims Staff Procedures for Acting on Administrative Disqualification Hearing Final Order, is revised overall for clarity.

Subject: Various updates and revisions to Volume VIII.

### Volume VIII

MS 1010, Case Documentation, is revised to add mandatory content for case comments at initial application and recertification.

MS 1020, Definitions, is revised to clarify the "Grace Period" definition and to add "Transitional Child Care"/TCC".

MS 1500, General Procedures for Application/Reapplication, is revised to add that electronic signatures must be captured to "save the date" on phone interviews.

MS 1530, Eligibility Process, is revised to clarify the "Grace Period" timeframe and to update the example for eligibility time frame. If approved, the client receives the month of application and following 12 months.

MS 2505, Child Care Income Limits, is revised to include the updated CCAP Income Guidelines and added Transitional Child Care (TCC).

MS 3020, Homeless Households, is revised to update the Job Search references.

MS 3040, Eligibility Requirements for Low Income Families, is revised to clarify self-employment calculations/Updated "Work Registration" Policy.

MS 3045, Work Requirement Exceptions, is revised to clarify the "Grace Period" timeframe.

MS 3050, Technically Ineligible Families, is revised to remove the reference regarding verification that parent is not working in same classroom as their own child. System functionality does not support this.

MS 3515, Verification of Taxed Wages, is revised to verify the "Grace Period" timeframe.

MS 3540, Calculation of Self-Employment Income, is revised to clarify self-employment calculations.

MS 3580, Child Care Resource Limits, is revised to add that the CCAP resource limit is not applicable for CCPO/CCPE cases.

MS 4020, Child Care Certificate To Access Child Care Services, is revised to add that CCAP families must report the name of their child care provider within (30) days of their enrollment start date. Updated policy for untimely DCC-94's.

MS 5015, Co-Payment Chart, is revised to update the Family Co-Payment Chart.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 590  
February 11, 2022

Subject: Various Revisions to Volume III and IIIA

### Volume III

MS 2159, Case Notes, is revised to clarify what notes should be entered in Worker Portal.

MS 2321, Work Registration, is revised to state that the individual only needs to agree to work register to meet the KTAP eligibility requirement. No other verification is required.

MS 2510, Excluded Income, is revised to add that payments from the military's Transitional Compensation for Abused Dependents program are excluded.

MS 2610, Child Support and/or Spousal Support, is revised to clarify child support received at recert or case change and correct the formatting of the escrow policy and procedures.

MS 5055, Permanency Requirements, is revised to state that the requirement to pursue permanent custody begins when the case is approved for Kinship Care benefits on Worker Portal.

### Volume IIIA

MS 4520, KTAP Transitional Assistance Agreement, is revised to clarify when a TAA signature is required and to clarify when the signature is not required.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 589  
January 1, 2022

Subject: Updated System Entry Instruction for Verification of Authorized  
Representatives and Intentional Program Violation Representatives

### Volume II

The following manual sections are revised to reflect the system entry instruction for verification of Authorized Representatives, Intentional Program Violation Representatives, and miscellaneous grammar and punctuation updates.

**MS 2610**, Eligibility of Treatment Center Participants, is revised to include system entry instructions for authorized representatives and updated information for verification of authorized representatives, as well as updated information regarding the requirement of Intentional Program Violation Representatives. Punctuation was also revised in the first paragraph, second sentence before and after the word “however.”

**MS 3850**, Representatives Liability for Overissuances, is revised to reflect updated information regarding the requirement of Intentional Program Violation Representatives.

**MS 3860**, Disqualification of Representative, is revised to reflect the updated information regarding the requirement of Intentional Program Violation Representatives. It is also revised to simplify/clarify the wording in bullet C. to specify that “if an individual has a disqualification, he/she cannot be an authorized representative for any household.”

**MS 6100**, Filing An Application, is revised to include system entry instructions for authorized representatives and updated information for verification of authorized representatives, as well as updated information regarding the requirement of Intentional Program Violation Representatives. It was also revised to add the word “online” in the Bullet A. paragraph and to remove the word “their” in Bullet C.

Division of Family Support

Operation Manual  
Transmittal Letter No. 588  
January 1, 2022

Subject: Updates and Revisions to Volume I

Organization and formatting updated throughout.

The Table of Contents, is revised to add MS 0965 Compromising Claims and obsolete MS 1140.

MS 0965, Compromising Claims, is created to provide details regarding compromise on delinquent agency error (AE) claims for all programs.

MS 1140, Compromising SNAP Claims, is now obsolete. The material is moved to MS 0965.

Subject: Various updates and revisions of Volume II.

## Volume II

The Table of Contents is revised to remove MS 2050 as it is duplicated in MS 2040.

MS 2002, is revised for clarity including more clearly defining that SNAP benefits can be used at farmers markets, and that complainants may remain anonymous.

MS 2004, is revised to change references from Drug and Alcohol treatment programs to substance use treatment programs.

MS 2004, is revised to change references from spousal abuse center to domestic abuse centers.

MS 2006, is revised for clarity; clearly defining who may be volunteers, and revising the wording around transportation.

MS 2010, is revised to include an example of how spouses are considered, children living in the home under the age of 22, and separate dwellings.

MS 2020, is revised for clarity; simplifying language and sentence structure in the first paragraph.

MS 2040, is revised for clarity; clearly defining irregular household members, providing instructions on how to handle children who split time between households, and providing examples for clarity.

MS 2060, is revised for clarity; encouraging staff to explore the relationship of non-members, defining roomers, and giving instructions for FS-2s.

MS 2070, is obsolete as the information in it is repeated in MS 2060.

MS 2080, is revised for clarity; including the definition of boarders, revising the sentence structure in line C, and including a reference to ineligible student policy.

MS 2090, is revised to change references of narcotics addicts and alcoholics to individuals with substance use disorders.

MS 2090, is revised to change references in line D from women and women to individuals and individuals with children.

MS 2100, is revised to include failure to agree to register for work, and including reducing work hours and refusing a job.

MS 2610, is revised to remove the requirement for DAA representatives to apply in person.

MS 3160, is revised for clarity and to include part B further describing expanded categorical eligibility.

MS 3175, is revised to update expanded categorical eligibility information, and revise formatting for clarity and improved usability.

MS 6600, is revised to reflect current certification periods.

Division of Family Support

Operation Manual  
Transmittal Letter No. 586  
December 1, 2021

Subject: Updates and Revisions to Volume I

MS 0920, Fraud "Hotline" Referrals, has been revised to include the hotline referral number is "for any program," the hotline referral is to be scanned into ECF, and the wording changed from "Is contact needed to verify unclear information" to "unclear information" on case summary screen. Additionally, revised ordering of B.

MS 0940, Who Must Pay a Claim, has been revised to clarify that the HOH will be liable regardless of eligibility in the SNAP case to include example.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 585  
December 1, 2021

Subject: Various Revisions to Volume III

### Volume III

MS 2367, Verification of Voluntary Absence, is revised to add active CSE records to the list of acceptable verification of absence. Change made to update Law Enforcement Officials to Law Enforcement records.

MS 2375, Referral for Child Support Enforcement, is revised to state CSE referral is not required when death is the deprivation.

MS 2379, Incapacity Determinations, is revised to update "client" to "individual".

MS 2510, Excluded Income, is revised to update "Wilson Fish" to "Refugee Cash Assistance (RCA)" program.

MS 2610, Child Support and/or Spousal Support, is revised to clarify how and when escrow payments are considered in the KTAP benefit calculation.

MS 3655, The Qualifying Parent and Prior Labor Market Attachment, is revised to clarify the verification requirements for PLMA.

MS 3667, UP Reapplication After Discontinuance for KWP Noncooperation, is revised to remove "client" and replace it with "individual".

Subject: Revisions to Volume I MS 1020

MS 1020, Trafficking and Retailer Fraud, is revised to reflect the recent changes to forms FS-80 (TR) and FS-80A (TR) and to state that trafficking allegations are substantiated prior to sending out materials for interviews/hearings. Formatting issues have been corrected throughout.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 583  
October 1, 2021

Subject: FY 2022 Annual Cost-of-Living Adjustments (COLA) for Income Standards and Shelter Deductions

### Volume II

The following manual sections are revised to reflect the annual COLA for Fiscal Year 2022 changes for income eligibility scales, standard deductions, homeless shelter deduction, and Basis of Issuances (BOI).

[MS 5000](#), Resource Maximums, is revised to reflect the updated resource limits for elderly/disabled and all other households.

[MS 5200](#), Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165% Gross, and 200% Gross Income scales, and both the income and income limits listed in the example are updated.

[MS 5400](#), Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 1-6+), the Maximum Shelter Deduction, and the Homeless Shelter Deduction.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to reflect the updated Homeless Shelter Deduction.

[MS 5800](#), Calculation of Allotment, is revised to reflect the updated annual COLA change for the Maximum Shelter Deduction, Maximum SNAP Benefit Allotments for household sizes 1-8 and each additional member, and minimum allotment for a one to two person household.

[MS 5810](#), Special Procedures for Calculations, is revised to reflect the updated Homeless Shelter Deduction.

[MS 9010](#), DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, Maximum Shelter Deduction for a household of 4, and the example calculations.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 582  
September 24, 2021

Subject: Incorporation of new policies for Advance Premium Tax Credit (APTC), Cost Sharing Reductions (CSR), and Qualified Health Plans (QHP)

Volume IVB is revised to incorporate policy and procedures for determining eligibility for APTC, CSR, and QHP.

### Volume IVB

The Table of Contents is revised to add manual sections that have been created, to change the titles of MS 1050, 1200, 2900, 2910, and MS 4300, and to remove MS 4310.

MS 1000, MAGI Medicaid Overview, is revised to remove policy regarding the Federally Facilitated Marketplace (FFM) as this no longer applies.

MS 1050, MAGI Medicaid Definitions, is revised to change the title to Definitions. It is also revised to add, remove, and update definitions.

MS 1075, Type of Assistance, is revised to add the Type of Assistance (TOA) and description for APTC and QHP.

MS 1200, MAGI Medicaid Application/Interview Process, is revised to change the title to Application/Interview Process. It is also revised to add policy regarding APTC/CSR and QHP eligibility processes.

MS 1210, kynectors, is revised to remove that kynectors will help individuals apply for coverage on the FFM and add that the system will automatically determine eligibility for APTC and QHP if the individual is ineligible for Medicaid.

MS 1220, Entitled Benefits, is revised to add that an individual is not required to apply for entitled benefits to receive APTC, CSR, or QHP.

MS 1250, Electronic Case File, is revised to include APTC, CSR, and QHP.

MS 1290, Changes, is revised to add APTC, CSR, and QHP as changes may affect ongoing eligibility. It is also revised to add that a newborn is not considered deemed eligible if the mother received APTC/QHP during the month of the baby's birth.

MS 1460, Timely Notice of Discontinuance and Reasons for Negative Action, is revised to add APTC and QHP negative action reasons. It is also revised to add policy regarding the process for when an individual dis-enrolls from a QHP.

MS 1500, Misrepresentation and Fraud, is revised to add policy regarding APTC over payments and fraud reporting regarding QHP.

MS 2110, Enumeration, is revised to add APTC, CSR, and QHP.

MS 2150, Citizenship Requirements, is revised to add that all individuals applying for APTC, CSR, and QHP must verify they are a US citizen or a Lawfully Present Resident (LPR).

MS 2152, Criteria for Qualified Immigrants, is revised to add that to qualify for APTC, CSR, or QHP non US citizens must be lawfully present and what that means and to update the criteria for verifying Cuban/Haitian entrant status.

MS 2200, Residency, is revised to add APTC, CSR, and QHP.

MS 2350, Incarceration, is revised to add policy that incarcerated individuals are not eligible for APTC, CSR, or QHPs.

MS 2700, MAGI Spend Down Process, is revised to add that Spend Down eligibility may only be established in the retroactive quarter due to potential ongoing eligibility for APTC. It is further revised to add that individuals may apply for a retroactive Spend Down the following month provided they were not approved for APTC and enrolled in a QHP during the month the medical expense was incurred.

MS 2900, MAGI Household Determination, is revised to change the title to Household Determination and add APTC and QHP.

MS 2910, MAGI Income Scales, is revised to change the title to Income Scales and add APTC and CSR. It is also revised to add that the 5% disregard is not applied to APTC and CSR and the Federal Poverty Level (FPL) for 400%.

MS 3000, Income Eligibility, is revised to add information regarding APTC and CSR.

MS 3100, Income, is revised to add information regarding APTC and CSR.

MS 3160, Verification of No Income, is revised to add APTC, CSR, and QHP.

MS 3400, Lottery and Gambling Winnings, is revised to remove reference to the FFM and replace with the State Based Marketplace (SBM).

MS 4300, QHP and APTC, is revised to change the title to Qualified Health Plan. It is also revised to remove policy regarding APTC as this will be added to a new manual section. It is further revised to add more policy regarding QHP's.

MS 4303, Advance Premium Tax Credit, is created to incorporate policy regarding APTC.

MS 4305, Cost Sharing Reduction, is created to incorporate policy regarding CSR.

MS 4307, American Indian/Alaskan Native, is created to incorporate policy regarding AIAN.

MS 4310, Account Transfers, is obsolete as this policy no longer applies.

MS 4315, Renewals for QHP, APTC, and CSR, is created to incorporate policy regarding renewals.

MS 4500, MAGI Acronyms, is revised to add AIAN, CSR, and SBM.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 581  
September 1, 2021

Subject: Various Revisions to Vol. I, Vol. III and Vol. IIIA

### Volume I

MS 0120, Checks Received by the Local Office, is revised to add rejected direct deposit as a reason for a paper check and to add that the Worker Portal Benefit Management screen must be updated with the status/disposition of the check.

### Volume III

MS 2120, KTAP Application/Recertification Interview, is revised to state that a new TAA is not required at recertification unless there is a change to the employment goals or accommodations section(s).

MS 2300, Criteria for Qualified Immigrants, is revised to update Cuban/Haitian criteria.

MS 2770, Self-Employment Income, is revised to include electronic documents as verification of self-employment income. This section is also revised to remove the word "client".

MS 3000, Requirements for Child Support Action, is revised to remove "death" from the child support requirements.

MS 3030, Child Support Referral Process, is revised to add form KTAP-125 and KC-125, NCP Fact/Information Sheet and Assignment of Rights, are not needed when death is the deprivation.

### Volume IIIA

MS 4220, Job Readiness Assistance/Job Search, is revised to change "client" to "participant".

MS 4245, Calculating Hours of Participation for WEP/COM, is revised to change "client" to "individual".

MS 4270, Work Experience Program (WEP), is revised to change "client" to "individual".

MS 4373, Targeted Assessment Program (TAP) is revised to change "client" to "participant".

MS 4410, Staff Roles and Responsibilities, is revised to change "service provider and client community" to "service providers and surrounding communities".

MS 4652, KWP Participation Monitoring and Tracking Process, is revised to change "clients" to "participants".

MS 4655, Verification of Participation, is revised to change "client" to "participant".

MS 4750, Applying the KWP Sanction, is revised to change "client" to "individual".

MS 5350, Overview of Supportive Services, is revised to change "client" to "participant".

MS 5390, RN and LPN Licensing Authorization, is revised to add that the cost of finger printing for NCLEX is paid to the individual if the provider does not accept form KW-32 for payment.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 580  
July 1, 2021

Subject: Miscellaneous Revisions to Volume I

This OMTL is created to update all references of Worker Portal to Integrated Eligibility and Enrollment System (IEES) in the following revised sections. Organization, formatting, and phrasing updated throughout.

Table of Contents, is revised to update the following manual section titles:

MS 0830 has been changed to: Responsibilities for Claims

MS 1090 has been removed

MS 1100 has been changed to: Regional Claims Staff Procedures for Acting on an Administrative Disqualification Hearing Final Order

### Volume I

MS 0800, How to Prevent a Claim, is revised to correct header formatting.

MS 0810, How to Identify a Claim, is revised to remove repetition, remove subsection 8 of section C, add that a manual claim referral can be created by Field Staff, "case review" is replaced with Quality Assurance (QA) review, and update the list of Claims identification sources.

MS 0820, Benefit Management, is revised to update Benefit Management tool to Benefit Management Module, correct "field staff" to "claims staff" and add field staff duties.

MS 0830, Field Staff and Regional Claims Workers Responsibilities for Claims, is revised to add that field staff are responsible to create manual claim referrals and remove RCWs responsibility to notify CMS of a restoration.

MS 0840, Claims Management Section Information and Responsibilities, is revised to replace references to Nutrition Assistance Branch with Program Integrity Branch, remove CMS responsibility to monitor claim completion time frames, to adjust claim balance after restoration is applied, and update procedures for claim adjustments.

MS 0850, Electronic Claims Files, is revised to remove the requirement to scan the Overpayment Discrepancy screen & case comments into the Electronic Case File (ECF), and to update "Notice of Repayment Schedule" to Repayment Agreement (KCD-1.11).

MS 0860, Time Frames for Establishing a Claim, is revised to update past due monitoring responsibilities from Claims Management Section to Division of Service Regions.

MS 0870, General Procedures for All Claims, is revised to update claim responsibilities from county to region, remove reference to pending claims being transferred to county of residence, update process for claims task creation, add CCAP to the list of programs, update appointment requirements, and update claims comment requirements.

MS 0880, General Procedures for a Suspected Fraud Claim, is revised to remove that the supervisor must agree with SIPV, remove reference to MS 0500, and add reference to MS 1070 for the Administrative Disqualification Hearing (ADH) procedures.

MS 0890, How to Determine the First Month of a Claim, is revised to add reference to policy Volume III MS 2338 for KTAP and KC good cause reasons.

MS 0900, Determining Eligibility Through Extensive Review, is revised to update Worker Portal to IEES.

MS 0920, Fraud “Hotline” Referrals, is revised to update procedures for entering unclear information, option to refer claims manually added, update OIG contact information, and change NAB to IAS.

MS 0930, Employee Fraud, is revised to change Division of Service Regions to Division of Family support and update procedures for manual KTAP claim calculations.

MS 0940, Who Must Pay a Claim, is revised to add reference to policy Volume I MS 1015.

MS 0950, Claim Repayment Methods, is revised to update procedures for accepting payments, add SNAP E&T to the list of programs that benefit reduction cannot be used for, clarify that CMS accepts and enters repayment agreements rather than negotiates payments, and add online payments as a method to repay claims.

MS 0960, Collecting Payments on Claims, is revised to update NAB to PIB and update procedures for accepting payments in local office.

MS 0970, When a Claim is Overpaid, is revised to specify that claims that have been overpaid through benefit reduction are refunded with benefits, remove field staff responsibilities, and include that overpaid claims may be applied to other claims.

MS 1000, Categories of Supplemental Nutrition Assistance Program (SNAP) Claims, is revised to elaborate on the SIPV claim category

MS 1005, No Claim Determination, is revised to correct spelling.

MS 1010, Procedures for Specific Households, is revised to update alien to immigrant, refer to SR policy, and to add voice signature option for application signature.

MS 1015, Drug/Alcohol Abuse Treatment Center Claims, is revised to remove references to claim type FD, update procedures for establishing DAA claims, and change NAB to PIB.

MS 1025, SNAP Electronic Benefit Transfer (EBT) Misuse, is revised to update example 4 to more clearly define EBT misuse. Grammatical and word selection changes made.

MS 1030, How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim, is revised to add that workers should attempt to obtain wage verification prior

to using wage match data, add how to consider cash assistance and other related program payments, and remove section G “A claim can be reduced by:”.

MS 1040, Joint Non-Fraud and Fraud Claims, is revised to change that comments should be entered in the Benefit Management module rather than Worker Portal and update procedures for viewing benefit issuance.

MS 1050, How to Process an Intentional Program Violation Claim, is revised to update criteria for OIG referrals and information regarding imposing IPV for individuals with active SNAP cases.

MS 1060, Criteria for Pursuing an Intentional Program Violation Claim, is revised to update the list of possible evidence and examples listed.

MS 1070, Administrative Disqualification Hearings, is revised to update when to request an ADH, evidence criteria, and telephonic and face-to-face hearing information and examples.

MS 1080, Administrative Disqualification Hearing Process Flow Chart, is revised to reformat flow chart and include Secretary’s Office in the exception process.

MS 1090, Client Request for Redetermination on Claims Established Prior to 10/1/92, made obsolete.

MS 1100, Local Office Procedures for Acting on Administrative Disqualification Hearing Final Order, is revised to update MS title to: Regional Claims Staff Procedures for Acting on an Administrative Disqualification Hearing Final Order, remove section B, update procedures for scanning, update ADH request procedures, and remove sections D & E.

MS 1110, Intentional Program Violation Disqualification Penalties, is revised to correct spelling.

MS 1120, Deferred Adjudication of Intentional Program Violation Claims, is revised to update local office to DFS.

MS 1150, Treasury Offset Program, is revised to reference KCD 1.11, clarify state review procedures, update procedures for TOP, and add that the 60 day notice is sent to all adult liable members.

MS 1200, Cash Assistance and Other Related Program Claims, is revised to remove reference to PA & KC claim type.

MS 1210, How to Calculate a Cash Assistance and Other Related Program Claim, is revised to spell out program names.

MS 1220, Claims for SSI Recipients, is revised to update MS title to: KTAP CLAIMS FOR SSI RECIPIENTS.

MS 1230, Retained Child Support, is revised to update KASES to CSE external search and update instructions for CSE search.

MS 1240, Medical Assistance Claims, is revised to update procedures for referring MA claims to OIG and update MA collection effort responsibility from OIG to DMS.



Division of Family Support

Operation Manual  
Transmittal Letter No. 579  
July 1, 2021

Subject: Removal of Drug Felony References

Volume III

MS 2001, KTAP 60-Month Lifetime Limit, is revised to remove reference to drug felon.

MS 2005, KTAP Tracking, is revised to remove reference to drug felon.

MS 2215, Technically Excluded Individuals, is revised to remove policy for drug felony convictions as drug felons are no longer technically excluded for KTAP as of 7/1/2021.

MS 2322, KWP Work Eligible Individuals, is revised to remove the information on drug felony disqualifications as it is no longer valid as of 7/1/2021.

Volume IIIA

MS 4750, Applying the KWP Sanction, is revised to remove policy concerning drug felons.

MS 5350, Overview of Supportive Services, is revised to remove policy concerning drug felons.

Division of Family Support

Operation Manual  
Transmittal Letter No. 578  
June 1, 2021

Subject: Updates and Revisions to Volume I Manual Section 0910

Volume I

MS 0910, Referral of Claims to The Office of the Inspector General, has been revised to add counties that are not accepting fraud referrals, and fraud referral threshold amounts have been updated to reflect the current OIG contract amounts. Section B is revised to update instructions on how to make referrals to OIG using the Fraud Tracking SharePoint site. Also, various revisions were made to correct grammar, spelling, and formatting.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 577  
June 1, 2021

Subject: Various Revisions to Vol. I, Vol. III and Vol. IIIA

### Volume I

MS 0485, Program Participation Pending the Hearing – IM Programs, is revised to remove the reference to the obsolete form PA-1.1C Supplement B, Interim Notations. In addition, "client" is changed to "individual".

### Volume III

Table of Contents has been revised to change MS 2130, "KWP Assessment" to "Assessment Procedures" and MS 2300, "Criteria for Qualified Aliens" to "Criteria for Qualified Immigrants".

MS 2001, KTAP 60 Month Lifetime Limit, is revised to change "alien" to "immigration".

MS 2130, Assessment Procedures, is revised to change "alien" to "immigrant".

MS 2159, Case Notes, is revised to add that good cause is to be documented in Worker Portal and OTIS.

MS 2210, Technical Eligibility Requirements, is revised to replace "alien" with "immigrant".

MS 2215, Technically Excluded Individuals, is revised to replace "aliens" with "immigrants".

MS 2285, Citizenship Requirements, is revised to replace "alien" with "immigration" or "immigrant" and "client" with "individual".

MS 2300, Criteria for Qualified Immigrants, is revised to replace "aliens" and "alien" with "immigrants" and "immigrant".

MS 2420, Countable Resources, is revised to change "client" to "individual" and "alien" to "immigrant".

MS 2460, Sponsor Resources, is revised to change "alien" to "immigrant".

MS 2505, Sponsor Income, is revised to change "alien" to "immigrant".

MS 2650, Other Unearned Income, is revised to clarify that interest/dividend income is only considered unearned income if it is derived from a corporate business.

MS 2820, Determination of Benefit Amount, is revised to delete the requirement that unemployment benefits of the qualifying parent are considered dollar for dollar in the KTAP budget and to change K-TAP to KTAP.

MS 2840, Earned Income Deductions, is revised to correct the reference for Child Care Assistance Program (CCAP) policy to Volume VIII.

MS 3655, The Qualifying Parent and Prior Labor Market Attachment, is revised to replace "client" with "individual", and to clarify Worker Portal will determine the QP based on the parent with the greater income.

MS 3665, Unemployment Requirements, is revised to change "alien" to "immigrant" and "client" to "individual".

#### Volume IIIA

MS 4100, System Interactions, is revised to replace the word "client" with "individual" and the word "aliens" with "immigrants".

MS 4720, Sanction Exceptions and Good Cause, is revised to remove the word "code" from last sentence of the section as it referred to KAMES entries. In addition, wording was added to state that good cause is documented in both Worker Portal and OTIS.

MS 5375, Car Repairs and Expenses, is revised to add the wording "but not limited to" to B. 7. to clarify this is not an inclusive list of which car expenses can be paid. In addition, item D.7. clarifies that payment is made upon receipt of form KW-32 **and** the invoice.

Division of Family Support

Operation Manual  
Transmittal Letter No. 576  
April 1, 2021

Subject: Volume I, Trafficking and Claims Procedures

Volume I

MS 1020, Trafficking and Retailer Fraud, is revised to add procedures for Excessive Card Tasks, and suspicious transaction types to be reviewed for during a trafficking investigation. It is further revised to change the required interview type for trafficking investigations.

MS 1025, SNAP Electronic Benefits Transfer (EBT), is revised to provide clarity and examples of EBT misuse.

MS 1240, Medical Assistance Claims, is revised to correct OIG to DMS.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 575  
April 1, 2021

Subject: Various Revisions to Volume III, Volume IVA, Volume IVB, and Volume V

This OMTL is created to update the Federal Poverty Levels (FPL) for 2021 effective March 1, 2021, to update various terminology used, and to clarify information regarding the Level of Care (LOC) Met Date.

### Volume III

MS 3850, Work Incentive (WIN) Eligibility, is revised to reflect the new Federal Poverty Level limits for 2021. In addition, wording is added to clarify the definition of an eligible child for WIN purposes.

### Volume IVA

The Table of Contents is revised to change the title of MS 1570 and MS 1577.

MS 1010, Non-MAGI MA Definitions, is revised to update the definition of the Self-Service Portal (SSP) to reference kynect benefits.

MS 1030, Type of Assistance (TOA), is revised to update the description of the EMCA TOA to remove reference to the term alien and to add QMBC as a TOA. This section is further revised to remove MAGI Medicaid TOAs and for clarity.

MS 1346, Exempt/Non Exempt Managed Care Recipients, is revised to remove the term alien. This section is further revised for clarity.

MS 1560, Enumeration, is revised to replace the term alien with immigrant. It is further revised for formatting.

MS 1570, Citizenship and Identity Requirements for Adult MA, is revised to change the title to Citizenship and Identity Verification Requirements. Revisions are made to replace the term alien with immigrant. This section is further revised for clarity and formatting.

MS 1575, Processing Citizenship Verification, is revised to replace the term alien with immigrant.

MS 1577, Criteria for Qualified Aliens, is revised to change the title to Criteria for Qualified Immigrants. Revisions are made to replace the term alien with immigrant and clarify children under age 19 meeting qualified immigrant status are not subject to the 5 year ban. This section is also revised for clarity and formatting.

MS 1578, Emergency Time-Limited Medicaid, is revised to remove all references of the term alien. This section is further revised for clarity and formatting.

MS 1580, Residency, is revised to replace all references of the term alien with immigrant. This section is further revised for clarity and formatting.

MS 1695, KI-HIPP Overview, is revised to replace reference to the benefind Self-Service Portal (SSP) with kynect benefits.

MS 3650, Level of Care, is revised to clarify that for Nursing Facility (NF), Intermediate Care Facility for Individuals with an Intellectual Disability (ICF IID), and Institutionalized Hospice, the date Level of Care (LOC) is met is not used to determine Medicaid eligibility and patient liability. For these types, it is based on the LOC admit/start date. It is further revised to remove Mental/Psychiatric facilities (MHP) as a type of level of care.

MS 3920, Medicaid Works Financial Eligibility, is revised to reflect the new poverty level income limits for 2021.

MS 4330, Financial Eligibility for QDWI, is revised to update the new income limits for Qualified Disabled Working Individuals (QDWI).

MS 4455, Income Limits for Medicare Savings Program, is revised to reflect the new poverty level income limits for 2021.

MS 4460, Medicare Savings Program Income, is revised to update the examples to reflect the FPL income scale for 2021.

#### Volume IVB

The Table of Contents is revised to change the title of MS 1210 and MS 2152.

MS 1000, MAGI Medicaid Overview, is revised to replace reference to the benefind Self-Service Portal (SSP) with kynect benefits.

MS 1050, MAGI Medicaid Definitions, is revised to:

- Remove reference to benefind in the Self-Service Portal (SSP) definition;
- Change the definition of Assister to kynector;
- Replace the term alien with immigrant in the Department of Homeland Security; and
- Change Qualified Alien to Qualified Immigrant.

MS 1075, Type of Assistance, is revised to update the description of the Emergency Time-Limited Medicaid TOAs to remove references to the term alien. This section is further revised to add the TOA DJJM.

MS 1200, MAGI Medicaid Application/Interview Process, is revised to replace reference to the benefind SSP with kynect benefits. This section is further revised to replace the web address for the SSP.

MS 1210, Assisters, is revised to change the title to kynectors and replace all references of assister with kynector. This section is further revised to replace references to the benefind SSP with kynect benefits.

MS 1290, Changes, is revised to replace references to the benefind SSP with kynect benefits.

MS 1460, Timely Notice of Discontinuance and Reasons for Negative Action, is revised to change the title of form MA-105 to Notice of Eligibility for Medicaid. It is further revised to replace the term alien with immigrant and for formatting.

MS 1650, Passive and Active Renewals, is revised to replace references to the benefind SSP with kynect benefits. It is further revised to clarify individuals are provided a 90 day grace period to complete their Medicaid renewal even if the renewal is not initiated.

MS 1904, Who is Required to Enroll in an MCO and Who is Exempt, is revised to remove the term alien.

MS 2110, Enumeration, is revised to replace the term alien with immigrant.

MS 2150, Citizenship Requirements, is revised to replace the term alien with immigrant. This section is further revised for formatting and clarity.

MS 2152, Criteria for Qualified Aliens, is revised to change the title to Criteria for Qualified Immigrants. It is further revised to replace all references of the term alien with immigrant.

MS 2160, Emergency Time-Limited Medicaid, is revised to replace all references of the term alien with immigrant.

MS 2910, MAGI Income Scales, is revised to update the FPL income limits for 2021.

MS 3300, Tweeners, is revised to update the examples to reflect the FPL income scale for 2021.

MS 5000, KI-HIPP Overview, is revised to replace reference to the benefind SSP with kynect benefits.

#### Volume V

MS 1400, Application Process, is revised to replace reference to the benefind SSP with kynect benefits.

MS 1500, Recertification Process, is revised to replace reference to the benefind SSP with kynect benefits.

MS 1600, General Technical Eligibility Requirements, is revised to replace the term alien with immigrant.



Subject: Employment & Training Program (ETP) Updates to Volume IIA, and  
Various Updates to Volume II

### Volume IIA

The Table of Contents is revised to remove MS 2250 and MS 2455 as they are obsolete; and revised to add MS 3100, and MS 3150.

MS 1050, Frequently Used Terms, is revised to remove OJT from the frequently used terms and add Employment Readiness Training (ERT) and Integrated Education Training (IET).

MS 1100, Work Registration Overview, is revised to change the references from "aliens" to "immigrants."

MS 1650, Work Registration Exemptions is revised to change the references from "aliens" to "immigrants."

MS 2000, ABAWD Overview, is revised to update the referral process to an ETP provider when an individual agrees to participate in the ETP program.

MS 2000, ABAWD Overview, MS 2100, ABAWD Work Requirements, MS 2500, Procedures for Non-Exempt ABAWD, MS 2550, Good Cause Determination, and MS 3900, Curing Non-Compliance are revised to change references from "career coach" to "local ETP provider".

MS 2100, ABAWD Work Requirements, is revised to update ETP information and change the references from "aliens" to "immigrants."

MS 2105, ABAWD Exemptions, is revised to update the ABAWD exemption criteria from 15% to 12%.

MS 2250, Components, is obsolete.

MS 2300, ABAWD Tracking, is revised to update the ABAWD tracking codes and to change the ABAWD exemption from 15% to 12%, and to change the reference from "ETP" to "ABAWD."

MS 2350, Changes in ABAWD Status, is revised to update the screen title to "Work Participation Month Tracker."

MS 2450, Out of State ABAWD, is revised to update the screen title to "Work Participation Month Tracker."

MS 2455, Job Retention Services, is obsolete. This information is moved to MS 3150 titled "Job Retention Services."

MS 2500, Procedures for Non-Exempt ABAWD, is revised to change references from "career coach" to "local ETP provider".

MS 2550, Good Cause Determination, is revised to change references from "career coach" to "local ETP provider".

MS 3050, Employment & Training Program Overview, is revised to provide a complete overview of the ETP program.

MS 3100, Employment and Training (ETP) Program Components is created to describe and list the ETP components.

MS 3150, Job Retention Services, is created to give a brief overview of Job Retention Services.

MS 3500, Transportation Payment Procedures, is revised to update the procedures for issuing transportation payment for ETP participation.

## Volume II

MS 2300, Students, is revised to add additional information about student eligibility for Vocational Education Skills (VES) participants.

MS 2610, Eligibility of Treatment Center Participants, is revised to clarify DAA center responsibilities and modernize language surrounding Substance Abuse Disorders (SUD).

MS 5200, Income Eligibility Scale, is revised to define the qualifications for each income limit grouping.

MS 2000, Definitions, MS 2100, Excluded Members, MS 2800, Migrant and Seasonal Farmworker – General, MS 2900, Immigrant Status, MS 2903, Citizenship/Immigrant Status Declaration Requirement, MS 2910, Verification of Immigrant Status, MS 2915, Verification – SAVE, MS 2920, Ineligible Immigrant/Member - Resources and Income, MS 2930, Ineligible Immigrant – Deductions, MS 2940, Determining Ineligible Immigrant Status, MS 5020, Transfer of Resources - Allowable, MS 5030, Transfer of Resources – Disqualification, MS 5050, Countable Resources, MS 5210, Excluded Income, MS 5220, Countable Income, MS 5520, Special Considerations for Specific Households, MS 5810, Special Procedures for Calculation, MS 6103, Who Signs the Application, MS 7000, Required Verification at Application, MS 7070, Household Failure to Cooperate, MS 7475, SNAP Case Documentation, MS 9005, DSNAP Eligibility are revised to change the references from "alien" to "immigrant" and "illegal" to "undocumented."

## Division of Family Support

Operation Manual  
Transmittal Letter No. 573  
January 1, 2021

Subject: Revisions to Volume IVA, Volume IVB, and Volume V

This OMTL is created to incorporate the new Medicaid income and resource standards that increased effective 1/1/2021, to incorporate policy regarding the Managed Care Organizations (MCO) available for enrollment effective 1/1/2021, and to incorporate the new State Supplementation standards that increased effective 1/1/2021.

### Volume IVA

MS 1340, Introduction to Managed Care, is revised to update the link to the Managed Care Organization (MCO) website and the information available on the website.

MS 1750, Allocations, Allowances, and Standards, is revised to update the following:

- Personal Needs Allowance (PNA) for Non-Institutionalized Hospice increased to \$814;
- PNA for Wavier Services increased to \$2,402;
- Community Spouse Minimum Resource Allowance increased to \$26,076;
- Community Spouse Maximum Resource Allowance increased to \$130,380;
- Community Spouse Maximum Income Allowance increased to \$3,260;
- Special Income Standard increased to \$2,382;
- Supports for Community Living (SCL) standard increased to \$4,764; and
- Blind or Disabled Child Allocations:
  - The Parent Allocation for Unearned Income is increased:
    - One Parent \$814
    - Two Parent \$1,211
  - The Parent Allocation for Earned Income is increased:
    - One Parent \$1,673
    - Two Parent \$2,467

MS 1975, Homestead Property, is revised to update the homestead equity limit to \$603,000.

MS 2130, Resource Assessment, is revised to update the homestead equity limit to \$603,000.

MS 2135, Community Spouse Resource Allowance Calculation, is revised to:

- Update the Community Spouse Minimum Resource Allowance to \$26,076; and
- Update the Community Spouse Maximum Resource Allowance to \$130,380.

MS 3480, Deductions and Allowances, is revised to update the monthly PNA for wavier services to \$2,402.

MS 3550, Long Term Care Individual with Community Spouse, is revised to update the Special Income Standard to \$2,382 and the Community Spouse Maximum Income Allowance to \$3,260.

MS 3910, Medicaid Works Application, is revised to update the Substantial Gainful Activity (SGA) limit for a disabled individual to \$1,310 and update the SGA limit for a blind individual to \$2,190.

MS 3912, Medicaid Works Substantial Gainful Activity (SGA), is revised to update the SGA for a disabled and blind individual to \$1,310 and \$2,190, respectively.

MS 3920, Medicaid Works Financial Eligibility, is revised to update the unearned income limit for Medicaid Works to \$814.

MS 4670, Supplemental Security Income Financial Standards, is revised to update the following standards:

- SSI income standard for an individual increased to \$794; and
- SSI income standard for a couple increased to \$1,191.

#### Volume IVB

MS 1901, Managed Care Providers, is revised to:

- Change the name of Humana to Humana Healthy Horizons in Kentucky;
- Change the name of Passport to Passport Health Plan by Molina Healthcare;
- Add UnitedHealthcare Community Plan of Kentucky as an MCO available for enrollment; and
- Update the link to the MCO website.

MS 1902, Managed Care Definitions, is revised to update the available MCO's and their contact information.

#### Volume V

MS 1200, State Supplementation Standards, is revised to change the following standards and to incorporate the new standards in the examples:

- Personal Care Home standard increased to \$1,313;
- Community Integration Supplementation standard increased to \$1,313;
- Family Care Home standard increased to \$965;
- Caretaker Services standard for an individual, or an individual with an ineligible spouse increased to \$855;
- Caretaker Services standard for an individual with an eligible spouse but only one requiring care increased to \$1,251; and
- Caretaker Services standard for a couple both requiring care increased to \$1,305.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 572  
December 15, 2020

Subject: Updates to Volume IVA, Volume IVB, and Volume V to include information regarding lottery and gambling winnings. Additionally, updates are made to Volume IVB to update and add policy regarding adoption, foster care, and the Supporting Kentucky Youth (SKY) Program.

### Volume IVA

Table of Contents is revised to add MS 2315.

MS 2315, Lottery and Gambling Winnings, is created to outline how lottery and gambling winnings are considered in the Non-MAGI eligibility determination.

### Volume IVB

Table of Contents is revised to add MS 2647, MS 2653, MS 2665 and MS 3400.

MS 2645, Private Non-Profit Adoptions Overview, is revised to clarify that once an adoption is finalized, the adoptive parents may apply for Medicaid for their child. The section has been further revised to reference MS 2647, Subsidized Adoption.

MS 2647, Subsidized Adoption, is created to provide policy regarding Medicaid for children with subsidized adoptions, that the Child Benefit Worker is responsible for maintaining the Medicaid case, and that these children have optional participation in the SKY Program.

MS 2653, Children in Foster Care, is created to provide policy regarding Medicaid for foster care children, that the Child Benefit Worker is responsible for maintaining the Medicaid case, and that these children are required to participate in the SKY Program.

MS 2655, Former Foster Care, is revised to explain that individuals who age out of foster care may choose to recommit their care to the state and that these individuals have optional participation in the SKY Program. The section has been further revised for clarity.

MS 2665, SKY Program, is created to provide policy regarding the Supporting Kentucky Youth (SKY) program and how it affects foster care children, children with subsidized adoptions, children within the Department of Juvenile Justice, and former foster care youth.

MS 3400, Lottery and Gambling Winnings, is created to outline how lottery and gambling winnings are considered in the MAGI eligibility determination.

### Volume V

MS 2200, Unearned Income, is revised to add lottery and gambling winnings as a type of unearned income.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 571  
October 1, 2020

Subject: KAMES Clean Up and Other Various Updates to Volume IVA and Volume V

### Volume IVA

The Table of Contents is revised to remove MS 1060, MS 1360, MS 3510, MS 4535, MS 4680, MS 4750, and MS 4820 as these sections are obsolete, change the title of MS 1500, and add MS 4665.

MS 1060, Medicare/Medicaid Recipients, is obsolete as this policy can be found in MS 3480.

MS 1240, KYHealth Card, is revised to remove reference that individuals subject to Managed Care enrollment are issued a KYHealth card. This section is further revised for clarity and formatting.

MS 1360, Application after Denial of SSI Benefits, is obsolete as this policy has been incorporated into MS 4665.

MS 1500, Non-MAGI Medicaid Recertifications, is revised to:

- Change the title to Passive and Active Renewals;
- Add policy regarding interruptions to the passive renewal process;
- Clarify the active renewal process if the renewal is initiated on or before the 15<sup>th</sup> of the renewal month and if initiated after the 15<sup>th</sup>; and
- Change Consumer Direct Option (CDO) to Participant Directed Services (PDS).

MS 2036, Life Insurance Policies, is revised to add policy regarding group life insurance policies and to remove references to KAMES and form MA-36, Burial Designation. The section is further revised for clarity and formatting.

MS 2037, Prearranged Funeral Contracts, is revised to remove references to KAMES, form MA-36, Burial Designation and checklists for prearranged funeral contracts. The section has been further revised for clarity and formatting.

MS 2671, Establishing the Current Spend Down Quarter, is revised to remove reference to KAMES. It is further revised for clarity and formatting.

MS 3505, Qualifying Income Trust, is revised to remove references to KAMES and is further revised for clarity and formatting.

MS 3510, LTC MA Effective Date, is obsolete as this policy has been incorporated into MS 3500 and MS 1450.

MS 3550, Long Term Care Individual with Community Spouse, is revised to update the telephone standard.

MS 3800, Non-Emergency Medical Transportation, is revised for clarity and formatting.

MS 3810, Non-Emergency Medical Transportation Brokers, is revised to update the regions, brokers, and phone numbers. It is also revised for formatting.

MS 4430, Technical Eligibility for Medicare Savings Program, is revised to clarify policy regarding conditional enrollment in Medicare Part A. It is further revised for formatting.

MS 4535, Exparte with Medicare Savings Plan, is obsolete as this information has been incorporated into MS 4770.

MS 4660, Potential SSI Applications, is revised to:

- Explain that individuals with a pending SSI application may be eligible to receive MAGI Medicaid;
- Remove reference to form PA-97, Add/Inquiry;
- Remove reference to State Supplementation, KAMES, and spot checks;
- Add information regarding denied Medicaid eligibility if an individual is potentially eligible for SSI;
- Add that a Medical Review Team (MRT) referral is not appropriate for individuals who are potentially eligible for SSI, and
- Clarify and format.

MS 4665, Application after Denial of SSI Benefits, is created to incorporate policy from MS 1360.

MS 4680, SSI Financial Eligibility, is obsolete as this information has been incorporated into MS 4660.

MS 4720, MA Eligibility for SSI Recipients, is revised to:

- Remove reference to the local office, RDS, PA-SSI-4, and J, K, M program codes;
- Clarify that Worker Portal sends form PA-11 to SSI individuals;
- Remove reference to form PAFS-78 as hearing requests are entered on Worker Portal, and
- Clarify.

MS 4750, Medicaid Eligibility Redetermination, is obsolete as this information can be found in MS 4770.

MS 4820, Cases Eligible After SSI Discontinuance, is obsolete as information can be found in MS 4770.

## Volume V

MS 2700, Excluded Resources, is revised to define homestead property.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 570  
October 1, 2020

Subject: Annual Cost-of-Living Adjustments (COLA) for Utility and Income Standards and Shelter Deductions and Various Changes in Vol II and IIA.

### Volume II

The following manual sections are revised to reflect the annual COLA for Fiscal Year 2021 changes for income eligibility scales, standard deductions, utility allowances, and Basis of Issuances (BOI) and various changes

[MS 2200](#), Use of SNAP Benefits, is revised to remove the reference to cooked lobster.

[MS 5000](#), Resource Maximums, is revised to add that the asset limit for elderly or disabled households also serves as the threshold for substantial lottery or gambling winnings.

[MS 5050](#), Countable Resources, is revised for item K. to reference [MS 5000](#) regarding the asset limit for lottery or gambling winnings.

[MS 5200](#), Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165% Gross, and 200% Gross Income scales, and the income limits listed in the example are updated.

[MS 5400](#), Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 4-6+), the Maximum Shelter Deduction, and the Homeless Shelter Deduction.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to reflect the updated Homeless Shelter Deduction.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated Standard Utility Allowance (SUA).

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to reflect the updated Basic Utility Allowance (BUA) and the telephone standard deduction.

[MS 5500](#), Treatment of Utility Expenses, is revised to reflect the updated telephone standard deduction.

[MS 5510](#), Child Support Deduction, is revised to add an example for verified court-ordered child support arrearages as an allowable deduction.

[MS 5800](#), Calculation of Allotment, is revised to reflect the updated annual COLA change for the Maximum Shelter Deduction and Maximum SNAP Benefit Allotments for household sizes 1-8.

[MS 5810](#), Special Procedures for Calculations, is revised to reflect the updated Homeless Shelter Deduction.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 570  
October 1, 2020

[MS 9010](#), DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, Maximum Shelter Deduction for a household of 4, and the example calculations.

### Volume IIA

The following manual section is revised to change the wording from “vocational school” to “vocational training” and to change ABAWDs to ABAWD individual(s) in addition to a few grammatical changes.

[MS 2250](#), Components, is revised to update the phrase “vocational school” to “vocational training” and “vocational training program.” It is also revised to change “ABAWDs” to read “ABAWD individual” and to make a few grammatical corrections.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 569  
July 1, 2020

Subject: 2020 Spousal Impoverishment Standards, changes to the CHL3 Type of Assistance (TOA), and changes to Fair Market Value (FMV) of property

### Volume IVA

MS 1750, Allocation, Allowances, and Standards, is revised to change the following standards effective 7/1/2020:

- Minimum Community Spouse Income Allowance increased to \$2,155;
- Community Spouse Minimum Shelter Allowance increased to \$647; and
- Family Member Income Allowance increased to \$2,155.

MS 1975, Homestead Property, is revised to incorporate policy that if property is sold at public auction, the sale price is considered the FMV.

MS 1980, Non-Home Real Property, is revised to incorporate policy that if property is sold at public auction, the sale price is considered the FMV.

MS 3550, Long Term Care Individual with Community Spouse, is revised to clarify who is a minor child. It is also revised to change the following standards effective 7/1/2020:

- Minimum Community Spouse Income Allowance increased to \$2,155;
- Community Spouse Minimum Shelter Allowance increased to \$647; and
- Family Member Income Allowance increased to \$2,155.

### Volume IVB

MS 1070, Categories of Assistance, has been revised to clarify that children who receive coverage in the CHL3 Type of Assistance (TOA) are now receiving benefits through the Kentucky Children's Health Insurance Program (KCHIP) and not Medicaid. The section is further revised for clarity.

MS 1075, Type of Assistance, has been revised to clarify that CHL3 is a KCHIP TOA and applicants/recipients are ineligible if they have other health insurance. The section has been further revised for clarity.

MS 2910, MAGI Income Scales, has been revised to clarify that CHL3 is a KCHIP TOA.

Division of Family Support

Operation Manual  
Transmittal Letter No.568  
June 1, 2020

Subject: Updating Child Care Information in Vol I & IIIA

Volume I

The Table of Contents has been revised to remove MS 0610 and MS 0620.

MS 0610, Overview of the Child Care Assistance Program, and MS 0620, Child Care Assistance Program Eligibility Requirements, have been obsoleted as Child Care Assistance Program (CCAP) policy is now outlined in Vol. VIII.

Volume IIIA

The Table of Contents has been revised to remove MS 5260 and the title for MS 5270 has been changed.

MS 5260 has been obsoleted and the information added to MS 5270.

MS 5270 is now titled, CCAP for KWP Participation. References to forms DCC-85A and DCC-86 have been removed, and the manual section has been updated to include Worker Portal information.

Subject: Federal Poverty Levels for 2020

This OMTL is created to update the Federal Poverty Levels (FPL) for 2020 that are effective March 1, 2020.

Volume I

MS 0640, Voter Registration, is revised to remove the US citizen requirement for receiving form PAFS-706, Voter Rights and Declination, as the form is provided to every head of household 17 and older. It does not register the individual to vote.

Volume III

MS 3850, Work Incentive (WIN) Eligibility, is revised to reflect the new Federal Poverty Level limits for 2020. In addition, a statement is added to emphasize the importance of entering correct employment start dates, report dates, and verification dates.

Volume IVA

MS 1900, Life Expectancy Table, is revised to update the table with the current amounts.

MS 3920, Medicaid Works Financial Eligibility, is revised to reflect the new poverty level income limits for 2020.

MS 4330, Financial Eligibility for QDWI, is revised to update the new income limits for Qualified Disabled Working Individuals (QDWI).

MS 4455, Income Limits for Medicare Savings Program, is revised to reflect the new poverty level income limits for 2020.

MS 4460, Medicare Savings Program Income, is revised to update the FPL income scale for 2020.

Volume IVB

MS 2910, MAGI Income Scales, is revised to update the FPL income limits for 2020.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 561  
February 1, 2020

Subject: Revisions to Volume IVA, Volume IVB, and Volume V

### Volume IVA

The Table of Contents is revised to change the title of MS 1600 and to remove MS 1610 and MS 1615 as these sections are obsolete.

MS 1010, Non-MAGI MA Definitions, is revised to update the definition of MAGI Medicaid and to add the definition of Level of Care (LOC).

MS 1343, Managed Care Enrollment, is revised to incorporate policy regarding incarceration suspension end dates. It is further revised for formatting and clarity.

MS 1346, Exempt/Non Exempt Managed Care Recipients, is revised to incorporate policy regarding incarceration suspensions. It is further revised for formatting and clarity.

MS 1600, Prisons/Public Institutions, is revised to:

- Change the title to Incarceration;
- Incorporate policy from MS 1610 and MS 1615; and
- Clarify.

MS 1610, Interruption of Public Institutional Status, is obsolete as this policy has been incorporated into MS 1600.

MS 1615, Home Incarceration, is obsolete as this policy has been incorporated into MS 1600.

MS 1750, Allocations, Allowances, and Standards, is revised to update the following: The Blind or Disabled Child Allocations did not change for 2020.

- Personal Needs Allowance (PNA) for waiver services increased to \$2,369;
- Non-Institutionalized Hospice PNA increased to \$803;
- Community Spouse Minimum Resource Allowance increased to \$25,728;
- Community Spouse Maximum Resource Allowance increased to \$128,640;
- Community Spouse Maximum Income Allowance increased to \$3,216;
- Special income standard increased to \$2,349; and
- Supports for Community Living (SCL) standard increased to \$4,698.

MS 1975, Homestead Property, is revised to update the homestead equity limit to \$595,000.

MS 2130, Resource Assessment, is revised to update the homestead equity limit to \$595,000. It is further revised for formatting.

MS 2135, Community Spouse Resource Allowance Calculation, is revised to update the community spouse minimum resource allowance to \$25,728 and to update the community spouse maximum resource allowance to \$128,640.

MS 3480, Deductions and Allowances, is revised to update the monthly PNA for waiver to \$2,369. It is further revised to clarify that wavier recipients are responsible for prescription drug copays and that medical deductions to reduce patient liability cannot be allowed for prescription copays, including Medicare Part D copays, for these individuals.

MS 3550, LTC Individual with Community Spouse, is revised to update the special income standard to \$2,349 and the maximum Community Spouse Income Allowance to \$3,216.

MS 3910, Medicaid Works Application, is revised to update the Substantial Gainful Activity (SGA) limit for a disabled individual to \$1,260 and update the SGA limit for a blind individual to \$2,110. It is further revised for formatting.

MS 3912, Medicaid Works Substantial Gainful Activity (SGA), is revised to update the SGA for a disabled and blind individual to \$1,260 and \$2,110, respectively.

MS 4450, Resource Limits for Medicare Savings Program, is revised to update the resource limit for an individual to \$7,860 and \$11,800 for a couple.

MS 4670, SSI Financial Standards, is revised to change the following:

- SSI income standard for an individual increased to \$783; and
- SSI income standard for a couple increased to \$1,175.

#### Volume IVB

The Table of Contents is revised to add MS 3190.

MS 1050, MAGI Medicaid Definitions, is revised to update the definition for MAGI Medicaid.

MS 1320, Standard of Promptness, is revised to incorporate policy that an alimony deduction can only be allowed if the separation or divorce agreement is finalized on or before 12/31/18.

MS 1903, Managed Care Enrollment, is revised to incorporate policy regarding incarceration suspension end dates.

MS 1904, Who is Required to Enroll in an MCO and Who is Exempt, is revised to incorporate policy regarding incarceration suspensions.

MS 2350, Incarceration, is revised to explain how to create and end an incarceration suspension. It is further revised for clarity.

MS 3180, MAGI Deductions, is revised to:

- Remove tuition and fees as this is no longer an allowable deduction;
- Add the maximum allowable deductions for student loan interest;
- Add the maximum allowable deductions for contributions to a Health Savings Account;
- Add the maximum allowable deductions for IRA contributions;
- Incorporate policy that an alimony deduction is only allowable if the separation or divorce agreement was finalized on or before 12/31/18; and
- Format.

MS 3190, Countable Income, is created to outline countable income considered in determining financial eligibility for MAGI Medicaid.

MS 3200, Excluded Income, is revised to incorporate policy that alimony payments are excluded if the separation or divorce agreement is finalized on or after 12/31/18. Alimony payments are considered countable income if the separation or divorce agreement was finalized on or before 12/31/18.

#### Volume V

MS 1200, State Supplementation Standards, is revised to update the standard amounts for 2020.

Division of Family Support

Operation Manual  
Transmittal Letter No. 560  
2/1/2020

Subject: Drug & Alcohol Facility Responsibilities

Volume II

[MS 2610](#), Clarified first paragraph to specify that DAA center representatives cannot apply or recertify over the phone, and must complete these actions in person.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 559  
1/1/2020

Subject: Revisions to Volume II MS 2600, MS 2660, and MS 5800

### Volume II

[MS 2600](#), Basis for Treatment Center Participation, is further revised to simplify, and clarify the requirements for eligible DAA facilities.

[MS 2660](#), Center Responsibilities, is further revised to clarify that when a client leaves a DAA facility without providing a new address, the proper procedure is to remove verification of residency to pend and correctly discontinue the case.

[MS 5800](#), Calculation of Allotment, is further revised to clarify if initial prorated benefits are less than \$10, no benefits are issued. Also a table is included to clarify what benefits are issued for households of 3+ where calculated benefits are \$1, \$3, or \$5.

Division of Family Support

Operation Manual  
Transmittal Letter No. 558  
1/1/2020

Subject: ABAWD BONUS months

Volume IIA

[MS 2750](#), BONUS months are defined in the first paragraph along with specifying these do not need to be requested by the client. Item F. clarified process that E&T designated workers enter BONUS months on Worker Portal.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 557  
December 1, 2019

Subject: Various Revisions to Vol. III and Vol. IIIA

### Volume III

The Table of Contents is revised to change the section number of Kinship Care Payments to MS 5080 and change the title of MS 5090 to Kinship Care Recertifications.

MS 2015, Full Family Sanction at Reapplication, is revised to add the requirement to explain and provide form KW-207, Sanction Cure Information, at a KTAP reapplication to the participant who is subject to a full family sanction.

MS 2215, Technically Excluded Individuals, is revised to include how assessment for chemical dependency is verified.

MS 2230, Standard Filing Unit (SFU), is revised to include household composition verification information.

MS 2300, Criteria for Qualified Aliens, is revised to add nationals from the Northern Mariana Islands are considered as U.S. citizens.

MS 2334, Residency, is revised to remove information concerning household composition and out-of-state benefits verification.

MS 2381, Incapacity Field Determination, is revised to remove the term "spot check" as it referred to KAMES.

MS 2410, Excluded Resources, is revised to include 529 college savings plans.

MS 2500, Income – General Information, is revised to include information concerning out-of-state benefits verification.

MS 2610, Child Support and /or Spousal Support, is revised to state that Worker Portal will automatically deduct the \$50 disregard in child support calculations.

MS 3700, Educational Bonus, is revised to clarify that only one educational bonus can be issued for a post-secondary program that may contain one or more certificates.

MS 5080, Kinship Care Payments, is created with information formerly found in MS 5090.

MS 5090, Kinship Care Recertifications, is revised to incorporate policy and procedures for Kinship Care recertifications found in FSM, Kinship Care recertifications, March 11, 2019.

### Volume IIIA

MS 4230, Community Service, is revised to include reference to form KW-246 and form KW-248 when an individual is referred to or placed with a community service provider.

MS 4770, Curing the KWP Sanction in an Active KTAP Case, is revised to add the requirement to explain and provide form KW-207, Sanction Cure Information, to the participant at the time the participant inquires about curing the sanction.

MS 4780, Curing the KWP Sanction at Reapplication, is revised to add the requirement to explain and provide form KW-207, Sanction Cure Information, to the participant at application when a KWP sanction needs to be cured.

MS 5375, Car Repairs and Expenses, is revised to add the limit of 3 months for payment of liability car insurance.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 556  
December 1, 2019

Subject: Various Updates to Volume I, Volume IVA, and Volume IVB

### Volume I

The Table of Contents is revised to change the title of MS 0410 and MS 0420, and to remove MS 0430 as this section is obsolete.

MS 0230, Limited English Proficiency, is revised to update where to send the billing statement to if a CHFS Qualified Community Based Partner Interpreter is used and where to send the Translation Request Form to if a translation is needed.

MS 0410, The DCBS Case Review, is revised to:

- Change the title to Quality Assurance Case Review;
- Remove all references to 117 Case Review System as case reviews are being completed on the Quality Assurance (QA) Module;
- Remove reference to spot checks;
- Add policy for case reviews on the QA Module; and
- Add that a reviewer can delete a review as long as the review task has not been started.

MS 0420, The DCBS Case Review Web 117 Reports, is revised to:

- Change the title to Quality Assurance Reports;
- Remove all references to Web 117 and KAMES;
- Replace Web 117 with Quality Assurance;
- Update policy regarding QA Reports; and
- Remove the reports that are no longer applicable.

MS 0430, Profile Selection, is obsolete as this policy no longer applies as it is in reference to KAMES.

### Volume IVA

The Table of Contents is revised to change the title of MS 2800, MS 3610, MS 3650, add MS 1695, and to remove MS 3380, MS 3410, and MS 3591 as these sections are obsolete.

MS 1695, KI-HIPP Overview, is created to provide a general overview of the Kentucky Integrated Health Insurance Premium Payment (KI-HIPP) program. In addition, this section provides information on procedures for entering KI-HIPP information and reimbursement options.

MS 2770, Patient Liability for Individuals Otherwise Medicaid Eligible, is revised to remove reference to KAMES and for clarity and formatting.

MS 2800, Consumer Directed Option (CDO), is revised to change the title to Participant Directed Services (PDS). It is further revised to provide an overview of PDS and remove outdated references to KAMES, PROcerts, and Adult Day.

MS 2815, Michelle P. Waiver, is revised to remove references to KAMES, PROcerts, and outdated provider types.

MS 2890, SCL Case Action, is revised to update Pro-Certification to Level of Care, remove references to KAMES and remove section on State Supplementation. It is further revised to add information regarding Worker Portal processes and to clarify and format.

MS 2990, HCBS Case Action, is revised to update Pro-Certification to Level of Care, remove references to KAMES and remove section on State Supplementation. It is further revised to add information regarding Worker Portal processes and to clarify and format.

MS 3005, Acquired Brain Injury (ABI) Medicaid Eligibility Determination, is revised to change Consumer Directed Option to Participant Directed Services and remove references to KAMES.

MS 3030, ABI Long Term Care (LTC) Waiver, is revised to update CDO to PDS. It is further revised to remove references to KAMES and the section on system entry as it is outdated.

MS 3170, Non-Institutional Hospice Case Action, is revised to update Pro-Certification to Level of Care and add Worker Portal procedures. It is further revised to remove references to KAMES and the section on State Supplementation.

MS 3350, SSI Recipient Institutionalized, is revised to incorporate policy from MS 3410 as this section has been obsoleted. It is further revised to remove references to KAMES and spot checks and update form number for PAFS-5.1, Report or Referral to the District Social Security Office.

MS 3380, Patient Status Not Met, is obsoleted as this information has been incorporated into MS 3650.

MS 3410 SSI/State Supplementation Recipient Institutionalized, is obsolete as information has been incorporated into Volume V MS 3350, SSI Recipient Institutionalized.

MS 3500, Special Income Standard, is revised to remove reference to KAMES, add examples, and for clarity.

MS 3610, Effective Date of Vendor Payment, is revised to change the title to Effective Date of Patient liability. It is also revised to remove references to KAMES and for clarity.

MS 3650, Peer Review Organizations, is revised to change the title to Level of Care. It is also revised to remove references to KAMES and spot checks. It is further revised to incorporate policy from MS 3380, update Pro-Certification to Level of Care, update patient status to LOC met, and for clarity and formatting.

MS 3715, Money Follows the Person, is revised to remove references to KAMES, spot checks, and Pro Certs. It is also revised to remove that MFP recipients receive a 2 year certification period. It is further revised for clarity and formatting.

MS 3730, DCBS Responsibilities for Estate Recovery, is revised to remove references to KAMES, form PA-1A, Supplement E, and form PA-707. It is also revised for clarity and formatting.

MS 3951, Medicaid Works Recertifications/Interim Changes/Untimely Changes, is obsoleted as the information is contained in MS 1500, Non-MAGI Medicaid Recertifications.

MS 4395, Application for Medicare Savings Program through Low Income Subsidy, is revised to remove references to KAMES and add information regarding Worker Portal.

MS 4420, Mail-in Applications for Medicare Savings Program, is revised to remove reference to KAMES. It is further revised for clarity and formatting.

MS 4430, Technical Eligibility for Medicare Savings Program, is revised to remove references to KAMES and form PA-97, Assistance Program Inquiry. It is further revised for clarity and formatting.

MS 4525, Accretes, Deletes, and Restorations, is revised to:

- Remove References of KAMES;
- Replace reference to form PA-1A, Sup A, Buy-In Accrete/Delete/Restoration Request with form MSP-1, Request for Accrete, Delete or Restoration of Buy-In;
- Add MSBB MSP Restoration Request Mailbox;
- Remove the requirement to send a copy of the Medicare card with Accrete, Delete or Restoration request;
- Remove that request are submitted and tracked by regional PAPS; and
- Clarify and format.

MS 4770, Exparte, is revised to add an explanation of Exparte, remove reference to KAMES and KAMES processes, add where to view issued Exparte coverage, and for clarity and formatting.

#### Volume IVB

The Table of Contents is revised to add MS 1075, MS 1100, MS 1205, MS 1210, MS 1650, MS 1750, MS 1950, MS 2000, and MS 3300.

MS 1050, MAGI Medicaid Definitions, is revised to add and remove definitions. The section is further revised for clarity.

MS 1075, Types of Assistance, is created to incorporate policy regarding the different Types of Assistance (TOA) for Medicaid.

MS 1100, Early and Periodic Screening, Diagnosis, and Treatment, is created to incorporate policy regarding Early Periodic Screening, Diagnosis, and Treatment.

MS 1205, Authorized Representative, is created to incorporate policy regarding who may apply for Medicaid on behalf of another individual.

MS 1210, Assisters, is created to incorporate policy regarding assisters.

MS 1650, Passive and Active Renewals, is created to explain the active and passive renewal process for MAGI Medicaid.

MS 1750, Recipients Moving Into Or Out of Kentucky, is created to provide policy regarding what to do if an individual is receiving benefits in another state and moves to Kentucky or if an individual moves out of Kentucky.

MS 1950, Copay for Medicaid Recipients, is created to explain who is responsible for paying a copay and who is exempt.

MS 2000, MAGI Individuals in LTC, is created to incorporate policy regarding MAGI Medicaid recipients who enter long-term care.

MS 2200, Residency, is revised to:

- Incorporate policy that residents who are temporarily absent are considered residents;
- Incorporate policy that individuals in Kentucky on a temporary basis do not meet residency requirements; and
- Clarify and format.

MS 3200, Excluded Income, is revised to:

- Incorporate policy that VA Pension is excluded;
- Remove work study income;
- Add that PDS income is excluded if being received for caring for a household member; and
- Clarify and format.

MS 3300, Tweeners, is created to incorporate policy regarding individuals with ongoing monthly income over 138% Federal Poverty Level (FPL), but yearly income from below 100% FPL.

MS 4500, MAGI Acronyms, is revised to add acronyms for PDS and Kentucky Integrated Health Insurance Premium Payment (KI-HIPP). The section is further revised to remove CDO as well as other acronyms that are no longer used.

MS 5000, KI-HIPP Overview, is revised to provide clarity and format.



Division of Family Support

Operation Manual  
Transmittal Letter No. 555  
November 1, 2019

Subject: Revisions to Check Replacement Procedures

Volume I

MS 0110, Report of Nonreceipt of Benefits Issued by Check, is revised to state a stolen check must be reported to the police and a copy of the police report obtained.

MS 0115, Replacement of Check that is Cashed, is revised to add that a copy of the police report along with form PAFS-60 Part II must be sent to FSSB. In addition, as part of the replacement process, Treasury may contact the client for additional information regarding the forged endorsement.

MS 0180, Viewing of Case Record Material by Recipients and Representatives, is revised to remove reference to KASES print-outs that verify Child Support payments. This information is now obtained through the CSE External Search.

Division of Family Support

CCAP Operation Manual

Transmittal Letter No. 554

January 1, 2020

**Subject: Updates to Volume VIII/Child Care Assistance Program (CCAP)**

This OMTL outlines the revisions in Volume VIII to update and clarify the CCAP policy and procedures as mandated in 922 KAR 2:160.

**DFS Manual Volume VIII/Child Care Assistance Program (CCAP)**

**The Table of Contents** has been revised to rename some of the manual sections, remove sections that are obsolete, or that pertain to General Administration and Customer Service as these areas are covered in Division of Family Support (DFS) Manual Volume I- General Administration.

**MS 1003-MS 1008 and MS 1015** have been removed in an effort to eliminate duplication as the contents of the sections are covered in Division of Family Support (DFS) Manual Volume I- General Administration.

Numerous edits have been made to Volume VIII in an effort to better align with 922 KAR 2:160 and to correct issues with spelling, typos and policy updates since the last revision completed on November 11, 2017.

*Some of the main policy edits are listed below:*

**MS 1001, Purpose of The Child Care Assistance Program** has been updated to include changes in eligibility requirements such as Employment, Fulltime Education, Participation in SNAP E&T and Initial Job Search.

**MS 1525, Homeless Application Process & MS 3020, Homeless Households** have been updated to include policy changes regarding immediate approval to qualified homeless families with up to three (3) months to return requested documentation.

**MS 2515, Education Activities** has been updated to include the provision that allow full-time students to meet the work requirement if they are enrolled in a certified trade school, accredited college or university.

**MS 3040, Eligibility Requirements For Low Income Families** has been updated to include information on Work Exemptions, Work Registration, SNAP E&T and the ability to meet CCAP eligibility with full time education.

**MS 3045, Work Requirement Exceptions** has been updated to include wording on Grace Periods.

**MS 4010, Schedule Options** has been updated to include additional information regarding the available schedule options to be used when completing the child care enrollment.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 553  
October 1, 2019

Subject: Miscellaneous Revisions to Volume I

### Volume I

The Table of Contents is revised to add MS 0025, Employee Related Case Processing.

MS 0020, General Case Processing, is revised to refer staff to MS 0025 regarding procedures for employee related cases.

MS 0025, Employee Related Case Processing, is created to further define employee relationships and how to process and treat employee related cases.

MS 0450, The Hearing Process, is revised to clarify the final order process for each program.

MS 0455, Hearing Process Flow Chart (Fair Hearings), is revised to include a chart for SNAP Fair Hearings and a chart for IM related Fair Hearings.

MS 0465, Hearing Requests Involving Medical Review Team Determinations, is revised to clarify the final order process for each program.

MS 0510, Recommended Order, is revised to clarify the subsequent final order process for each program, update the review period the field has to request an exception from 10 days to 5 days, and to include the new exception process involving the Office of Legal Services (OLS).

MS 0530, Appeal to the Cabinet Secretary/Secretary's Designee, is revised to remove the acknowledgement letter process as it is obsolete and to add Central Office functions.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 552  
October 1, 2019

Subject: Annual Cost-of-Living Adjustments (COLA) for Utility and Income Standards and Shelter Deductions

### Volume II

The following manual sections are revised to reflect the annual COLA for Fiscal Year 2020 changes for income eligibility scales, standard deductions, utility allowances, and Basis of Issuances (BOI).

[MS 2600](#), Basis for Treatment Center Participation, is revised to correct the link for certified treatment centers.

[MS 5200](#), Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165% Gross, and 200% Gross Income scales, and both the income and income limits listed in the example are updated. Also revised is the wording in the last paragraph of the example to replace "They are" to read "The household's income is" and "it is" in the last two sentences of paragraph.

[MS 5400](#), Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 1-6+), the Maximum Shelter Deduction, and the Homeless Shelter Deduction.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to reflect the updated Homeless Shelter Deduction.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated Standard Utility Allowance (SUA) and to correct punctuation in the last two sentences of A.3.

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to reflect the updated Basic Utility Allowance (BUA).

[MS 5800](#), Calculation of Allotment, is revised to reflect the updated annual COLA change for the Maximum Shelter Deduction, Maximum SNAP Benefit Allotments for household sizes 1-8, and minimum allotment for a one to two person household.

[MS 5810](#), Special Procedures for Calculations, is revised to reflect the updated annual COLA change for the Maximum Shelter Deduction, Maximum SNAP Benefit Allotments for household sizes 1-8, and minimum allotment for a one to two person household.

[MS 9010](#), DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, Maximum Shelter Deduction for a household of 4, and the example calculations. Also revised is in the first and second paragraph is wording and punctuation. The first sentence of the first paragraph is revised to replace "their" with "the" and to add "of the household" after "the total net income." In the second paragraph, second sentence, "they" is removed.

Division of Family Support

Operation Manual  
Transmittal Letter No. 552  
October 1, 2019

## Division of Family Support

Operation Manual  
Transmittal Letter No. 551  
September 15, 2019

Subject: Various Revisions to Volume IVB

This OMTL outlines revisions in Volume IVB to update and clarify Medicaid policy and procedures in the following manual sections.

### Volume IVB

The Table of Contents is revised to change the title of some of manual sections and to add new sections.

MS 2150, Citizenship and Identity Requirements, is revised to

- Change the title to Citizenship Requirements; and
- Remove identification requirements, as this policy will be incorporated into MS 2165 in a future OMTL.

MS 2152, Criteria for Qualified Aliens, is revised to provide examples.

MS 2160, Time-Limited MA Eligibility, is revised to:

- Change the title to Emergency Time-Limited Medicaid;
- Incorporate policy that there is no Spend Down eligibility or Long Term Care (LTC) eligibility in Emergency Time-Limited Medicaid;
- Incorporate policy that an ongoing chronic medical condition does not in itself constitute an emergency medical condition; and
- Format.

MS 2162, Extension of Time-Limited MA, is revised to:

- Change the title to Extension of Emergency Time-Limited Medicaid;
- Add information regarding DMS Review Tasks and processes; policy that when extension is entered on Worker Portal, a task is generated for
- Remove previous procedures for sending extension requests to MSBB; and
- Format.

MS 2645, Private Non-Profit Adoptions Overview, is revised to update the website of where to find the Child Placing Agencies Directory.

MS 2650, Deemed Eligible Newborns, is revised to add that a deemed eligible newborn must have the same MCO as the mother for up to 60 days and that a deemed eligibility applies as long as the newborn continues to reside in Kentucky.

MS 2655, Former Foster Care, is created to incorporate policy regarding former foster care individuals.

MS 2700, MAGI Spend Down Process, is revised to:

- Add that an individual who is technically eligible as a Parent/Caretaker Relative, but is over the income limit for Medicaid may be eligible for a Spend Down;
- Add that there is no Spend Down eligibility in the Time Limited type of assistance; and
- Remove reference to APTC.

MS 2710, Medical Expenses in MAGI Spend Down, is revised to add purchase, care, and maintenance costs of animals designated as Service Animals as a medical expense.

MS 2900, MAGI Household Determination, is revised to add additional examples of household situations and tax filing status'. This section was further revised for formatting.

MS 3100, Income, is revised to:

- Add that the amount of countable income for MAGI is determined based on tax filing rules;
- Add to enter income details accurately, including income begin dates and hours worked; and
- Format

MS 3150, MAGI Income Verification, is revised to:

- Clarify when RSDI received by children is countable
- Add to enter the date that the income began and the number of hours worked correctly on Worker Portal;
- Replace the Work Number with Eligibility Advisor;
- Add that if there is a negative amount (loss) of self-employment or farm income, the negative amount is subtracted from total countable household income;
- Add that pre-taxed amounts should be entered as monthly pre-taxed deduction on the Earned Income Verification screen;
- Clarify that a written statement should be signed and dated by the employer and should include appropriate information, such as the hours worked and the hourly rate of pay; and
- Clarify that personal records may be used to verify earned income as a last resort.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 550  
September 15, 2019

Subject: Updates to Volume IVA

This OMTL outlines revisions in Volume IVA to update and clarify Medicaid policy and procedures in the following manual sections.

### Volume IVA

The Table of Contents is revised to rename some of the manual sections, remove the sections that have been obsoleted, and move some of the sections to related SSI sections.

MS 1065, Copay for Medicaid Recipients, is revised to:

- Add that preventative services do not have copays;
- Update copay amounts for prescription drugs;
- Remove the statement regarding recipients receiving State Supplementation are exempt from copay requirements as they are subject to pay copays; and
- Add that medical deductions to reduce patient liability cannot be allowed for prescription copays including Medicare Part D copays.

MS 1372, Non-Magi MA Application/Interview Process, is revised to add the option to apply for Medicaid using form MAP-205, Application for Medicare Savings Programs, form KHBE-I10 Application for More Than One Person, and form KHBE-I11 Application for One Person. This section is further revised to explain that an interview is not required when submitting a paper application, remove references to KAMES, and incorporate information from MS 1420.

MS 1373, Electronic Signature, is obsoleted as part of the policy can be found in MS 1372, and the other part is in reference to KAMES and no longer applies.

MS 1420, Scope of Investigation, is obsoleted, as this information is available in other policy.

MS 1430, Authorizing Benefits, is obsoleted, as this information is available in other policy.

MS 1547, Recipients Moving Into or Out Of Kentucky, is revised to remove references to KAMES and hardcopy application. This section was further revised for clarity.

MS 1562, SSN Applications, is revised to:

- Rename the manual section to Application for Social Security Number;
- Add information to refer individuals with questions regarding changing an adopted child's Social Security Number to the SSA;
- Update the SSA website address where form SS-5, Application for a Social Security Card may be found;
- Remove references to KAMES and spot checks;
- Remove list of acceptable verification of age; and

- Clarify and format.

MS 1575, Adult MA Case Processing for Citizenship Verification, is revised to rename the manual section to Processing Citizenship Verification. This section was further revised to explain that Worker Portal attempts to verify citizenship via the Federal HUB, remove references to KAMES, and to clarify.

MS 1680 TPL and SSI, is obsoleted as this policy has been moved to MS 4730.

MS 2080, Consideration of Transferred Resources, is revised to:

- Explain that when a transferred resource is returned in its entirety, the penalty is removed and is treated as if the transfer never occurred;
- Explain case processing when a transferred resource is partially returned;
- Explain when a claim should be referred;
- Add where to find the penalty period;
- Remove all references to KAMES and spot checks; and
- Clarify that while an individual has a penalty, they may be eligible for a Spend Down; however, Spend Down will not pay for vendor payment.

MS 2081, Entering Transfer of Resources Disqualifications, has been obsoleted as some of this policy is in reference to KAMES. In addition, information regarding a transfer of resources given back is incorporated into MS 2080.

MS 2110, SSI Recipients and Transfer of Resources, is obsoleted as some of this policy has been moved to MS 4740 and part is no longer applicable.

MS 2230, Adult MA: Child and Spousal Support, is revised to rename the manual section to Child and Spousal Support. This section was further revised to remove references to KASES and KAMES and add Child Support Enforcement (CSE) Search as an acceptable verification method and for clarity and formatting.

MS 2410, Earned Income, is revised to:

- Change title from Contract Employment to Earned Income;
- Incorporate MS 2420, MS 2430, MS 2440, and MS 2460;
- Add Program 48 as a verification source;
- Change 'Green Thumb' under Title V Organizations to 'Experience Works';
- Add direction to manually exclude \$30 per quarter when calculating Occasional Employment;
- Remove references to KAMES and Spot Checks; and
- Clarify and format.

MS 2420, Occasional and Commissioned Employment, is obsoleted as this policy has been added to MS 2410.

MS 2430, Other Earned Income, is obsoleted as this policy has been added to MS 2410.

MS 2440, Seasonal Employment, is obsoleted as this policy has been added to MS 2410.

MS 2460, Wages, is obsoleted as this policy has been added to MS 2410.

MS 2470, Excluded Income, is revised to:

- Change vendor payment income definition to third party payments definition;
- Remove reference to State Supplementation payments under third party payments;
- Remove references to KAMES;
- Specify age of elderly individuals included in the Nutrition Program for the Elderly;
- Specify the age of elderly individuals receiving unearned income or payments under the Senior Community Service Employment Program;
- Change Green Thumb to Experience Works;
- Add income received to pay for personal care assistance such as Hart Support Living Grant and Personal Care Attendant Program is excluded; and
- Clarify and format.

MS 2650, Spend Down Process, is revised to:

- Add that Worker Portal automatically explores Spend Down eligibility if an individual is determined ineligible for ongoing Medicaid;
- Remove references to Family MA and Adult MA and replace with MAGI and Non-MAGI;
- Remove that notices for Spend Down show the obligation amount as this information is not on the notice;
- Remove all references to KAMES;
- Add that there is no Spend Down eligibility for individuals over the income limit for Emergency Time-Limited Medicaid;
- Add policy regarding the Spend Down Details screen on Worker Portal; and
- Clarify and format.

MS 2670, Establishing the Retroactive Spend Down Quarter, is revised to remove references to KAMES. This section was further revised for clarity and formatting.

MS 4730, Third Party Liability and Medical Support Enforcement for SSI Recipients has been created to:

- Add policy from MS 1680, TPL and SSI;
- Add that Medicaid is the payer of last resort and that other health insurance is billed before Medicaid;
- Clarify the process of when SSA refers an applicant to DCBS when the applicant refuses to cooperate with Third Party Liability (TPL);
- Add good cause reasons for not cooperating with TPL that are found in Volume IVA MS 1660; and
- Add policy regarding Medical Support Enforcement (MSE).

MS 4740, SSI Recipients and Transfer of Resources, has been created to:

- Add policy from MS 2110;
- Incorporate policy that if an SSI individual has a transfer of resources, a disqualification must be placed on their SSI Medicaid by MSBB and the requests must be sent to MSBB through regional chain of command; and
- Add where to find the disqualification on SDX.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 549  
September 1, 2019

Subject: Changes to Volume III and IIIA

### Volume III

The Table of Contents is revised to change the name of MS 2180 to Supplemental and Special Circumstance Payments.

MS 2015, Full Family Sanction at Reapplication, is revised to clarify the examples to say that the required hours of participation in an approved KWP activity for at least 15 days must be verified before the KTAP can be approved.

MS 2130, KWP Assessment, is revised to correct a formatting error.

MS 2159, Case Notes, is revised to add notes concerning the use of a KWP exemption; to explain the circumstances and the short-term need that lead to the individual choosing FAD over KTAP; and to explain the reason for a FAD payment and to whom the payment is issued.

MS 2180, Supplemental and Special Circumstance Payments, is revised to add "Special Circumstance" to the title and more information concerning special circumstance payments.

MS 2200, Family Alternatives Diversion, is revised to emphasize that before FAD can be offered, **ongoing** KTAP eligibility must be determined on Worker Portal. In addition, a FAD EDG cannot be disposed without a supervisory review and then the supervisor must dispose the FAD EDG.

MS 2365, Birth Out-of-Wedlock, is revised and reformatted for clarity.

MS 2367, Verification of Deprivation and Continuing Absence, is revised to clarify what verification is needed for continuing absence.

MS 2375, Referral for Child Support Enforcement, is revised to state that if the parent or alleged father is deceased, a child support referral is still required.

MS 2393, Redetermination of Incapacity, is revised to clarify when a notice for an MRT redetermination is sent to the client.

MS 3000, Requirements for Child Support Action, is revised to state that establishment of paternity and securing child support is pursued in cases with death as a deprivation.

MS 3080, Penalty for Noncooperation, is revised to update the policy on how a child support penalty is applied in Worker Portal.

MS 3670, Incapacity and the Unemployed Parent, is revised to clarify that KTAP eligibility will pend and no KTAP benefits are issued until an MRT decision is received.

MS 5030, Kinship Care Caretaker Relative Responsibilities, is revised to clarify the responsibility of pursuing permanent custody.

Volume IIIA

MS 4217, Coding Vocational Educational Training, is revised to clarify that JSE can only be used after the individual meets the 20 core hour requirement.

MS 4720, Sanction Exceptions and Good Cause, is revised to update how the MRT referral is created in Worker Portal.

Division of Family Support

Operation Manual  
Transmittal Letter No. 548  
8/1/19

Subject: Various Changes to Vol I, II, and IIA

VOL I

MS 0900, Determining Eligibility Through Extensive Review, is revised to clarify procedures for completing a DETER referral.

VOL II

MS 3160, Categorical Eligibility, is revised to clarify that a household in which all members receive a combination of KTAP and SSI are considered categorically eligible.

MS 5220, Countable Income, is revised to add VA Aid and Attendance as countable income.

MS 5480, Disallowable Shelter Costs, is revised to add that volunteer fire department dues are not an allowable expense unless they are verified as being mandatory.

MS 5490, Heating and Cooling Costs/ Standard Utility Allowance, is revised to clarify that recipients of indirect energy assistance payments, other than LIHEAP receiving a payment greater than \$20 annually are eligible for the SUA REGARDLESS of any change in address.

MS 5520, Special Considerations for Specific Households, is revised to clarify that for ineligible ABAWDS, deductions are only pro-rated when the ineligible ABAWD is being billed or responsible for paying them.

MS 5650, Budgeting Income, is revised to clarify that the monthly amount of child support income is to be entered on the system. It is further revised to stress the importance of the worker questioning recipients of Ready to Work (RTW) of their educational expenses.

MS 7475, SNAP Case Documentation, is revised to clarify that excluded income that can be verified by system entry does not have to be commented on.

VOL IIA

MS 2100, ABAWD Work Requirements, is revised to clarify that hours of in-kind income must be verified for every month between certification periods.

Division of Family Support

Operation Manual  
Transmittal Letter No. 548  
8/1/19

MS 2700, ABAWD Noncompliance, is revised to clarify that deductions are only prorated of the ineligible ABAWD is billed or responsible for paying the expense.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 547  
July 1, 2019

Subject: 2019 Spousal Impoverishment Standards

This OMTL is created to update the new Community Spouse Income Allowance, Family Member Income Allowance, and Community Spouse Minimum Shelter Allowance that increased effective July 1, 2019 and to update State Supplementation Payment and CIS Living Arrangement.

### Volume IVA

MS 1750, Allocations, Allowances, and Standards, is revised to change the following standards effective 7/1/19:

- Minimum Community Spouse Income Allowance increased to \$2,114;
- Community Spouse Minimum Shelter Allowance increased to \$635; and
- Family Member Income Allowance increased to \$2,114.

MS 3550, Long Term Care Individual with Community Spouse, is revised to change the following standards effective 7/1/19:

- Minimum Community Spouse Income Allowance increased to \$2,114;
- Community Spouse Minimum Shelter Allowance increased to \$635; and
- Family Member Income Allowance increased to \$2,114.

### Volume V

MS 1100, State Supplementation Overview, is revised to clarify that direct deposit payments can only be deposited to the recipient's checking account. It is further revised to clarify that State Supplementation recipients are subject to co-payments.

MS 1400, Application Process, is revised to clarify that direct deposit payments can only be deposited to the recipient's checking account and cannot be deposited into guardian or payee owned bank accounts.

MS 1500, Recertification Process, is revised:

- To remove references to the annual review;
- To define timely and untimely recertifications; and
- For clarity.

MS 1800, State Supplementation Categories, is revised to:

- Explain that homeless individuals are not eligible for State Supplementation;
- Explain acceptable and unacceptable living arrangements for CIS recipients; and
- Remove references to the annual review.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 546  
June 17, 2019

Subject: Updates to Volume I

This OMTL is created to update policy regarding returned checks, when an individual reports non-receipt of a check, and checks that are received in the local Department for Community Based Services (DCBS) office. It is also created to update the Quality Control (QC) process and to update Income and Eligibility Verification System (IEVS).

### Volume I

MS 0100, Returned Checks, is revised to:

- Add State Supplementation reasons for cancelling a check;
- Add to cancel a check if the payment was issued in error;
- Change the form name of form PAFS-61 to Disposition of Returned Check;
- Add that for mutilated checks, the Family Self-Sufficiency Branch (FSSB) will contact Treasury for a replacement once they receive the mutilated check and form PAFS-61;
- Add that once the check is replaced, FSSB will mail the check to the local office for the individual to pick up; and
- Add that when the individual picks up the check, form PAFS-62, Local Office Check Log, must be completed and form PAFS-62 Sup. A, Affidavit of Check Receipt, must be signed.

MS 0110, Report of Nonreceipt of Benefits Issued by Check, is revised to:

- Add the process of completing the Update Benefit Status screen when an individual is requesting a replacement of a check;
- Add that completing the Update Benefit Status screen will generate a task for FSSB;
- Add that if a Field Services Supervisor (FSS) cannot sign form PAFS-60, Affidavit, the form must be notarized;
- Add to scan form PAFS-60 into the Electronic Case File (ECF);
- Add that copy versions of form PAFS-60 cannot be accepted;
- Add that FSSB will change a status to Stopped and request a replacement from Treasury when they receive form PAFS-60;
- Add that the replacement check will be mailed to the local office for the individual to pick up; and
- Add that when an individual picks up a check, form PAFS-62 must be completed and form PAFS-62 Sup. A, must be signed.

MS 0115, Replacement of a Check that is Cashed, is revised to:

- Change that a copy of the cashed check will be emailed to the program specialist;
- Add to complete the Update Benefit Status screen if the client denies the endorsement. This will create a task for FSSB;

- Add that if Treasury replaces the check, FSSB will update the status and mail the check to the local office for the individual to pick up; and
- Add that when an individual picks up a check, form PAFS-62 must be completed and form PAFS-62 Sup. A, must be signed.

MS 0120, Checks Received by the Local Office, is revised to:

- Clarify what kinds of checks are received in the local office
- Update policy to require that form PAFS-62 is mandatory and must be maintained for all checks received;
- Remove what the log should include as the information is included on the mandatory form PAFS-62;
- Change the form name of form PAFS-61 to Disposition of Returned Check; and
- Update policy to add that the recipient should pick up the replacement check in 30 days.

MS 0380, Local Action on QC Findings, is revised to:

- Remove references to KAMES and replace with Worker Portal;
- Remove that form PAFS-343.1 is an E-form that can be accessed through KAMES or by using the KAAAP E-forms link located in KEUPS as forms are no longer E-forms;
- Update policy that form PAFS-343.1 is completed for related observations on all Non-MAGI reviews; and
- Add that form PAFS-343.1 is not used for the Medicare Savings Program.

MS 0390, Refusal to Cooperate with QC, is revised to:

- Update that for Medicaid, a QC analyst will send an appointment letter to an individual advising them that the analyst will call them at the specified time on the letter;
- Remove that if a QC analyst requests that a recipient be contacted that DCBS schedules an appointment and notifies the QC analyst;
- Remove that form MA-105, Notice of Eligibility/Ineligibility is mailed if the recipient fails to keep the appointment;
- Remove how to enter a disqualification on KAMES;
- Remove references to KAMES and replace with Worker Portal; and
- Remove discontinuance reason codes from KAMES.

MS 0670, Income and Eligibility Verification System (IEVS), is revised to:

- Remove references to KAMES and replace with Worker Portal; and
- Add that Batch Matches are resolved through the Batch Match Task.

MS 0675, Resolving Match Discrepancies, is revised to:

- Remove references to KAMES and replace with Worker Portal;
- Remove references to KAMES screens;
- Add that for Medicaid cases without a recertification interview, contact the client to discuss the match and request the client to provide the required verification to resolve the match. Issue an RFI and document in Case Notes;
- Add for Medicaid allow the household 30 days to provide requested verification if an RFI is issued;

- Remove references to reports found on KAMES; and
- Replace Batch Match function with Batch Match task.

MS 0680, IRS Safeguarding Issues, is revised to:

- Remove references to KAMES and replace with Worker Portal;
- Add that Federal Tax Information (FTI) is never scanned into the Electronic Case File (ECF);
- Remove information about case records and how to store them as case information is scanned into ECF;
- Add that Worker Portal screens containing IRS data should not be printed; and
- Update that any Bendex information should not be scanned into ECF.

Division of Family Support

Operation Manual  
Transmittal Letter No. 545  
June 1, 2019

Subject: Miscellaneous Revisions to Volume I and Volume II

Volume I

MS 0950, Claim Repayment Methods, is revised to remove CMS email.

MS 1000, Categories of Supplemental Nutrition Assistance Program (SNAP) Claims, is revised to change the look back period for IHE claims to 6 years.

MS 1005, No Claim Determination, is revised to clarify claim completion for expedited benefits

MS 1020, Trafficking and Retailer Fraud, is revised to include face-to-face interviews for excessive card tasks and emphasize detailed Worker Portal comments.

MS 1030, How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim, is revised to remove the 12 month look back period from IHE claims and add a 6 year look back period.

MS 1040, Joint NON-FRAUD AND FRAUD CLAIMS, is revised to change the look back period for an IHE claim from 12 months to 6 years.

MS 1050, How to Process an Intentional Program Violation Claim, is revised to distinguish the new look back period for IHE claims.

MS 1070, Administrative Disqualification Hearings, is revised to update the Appeals Board to the Cabinet Secretary/Secretary's designee and to distinguish the new look back period for IHE claims.

MS 1240, Medical Assistance Claims, is revised to remove the referral of MA claims on Worker Portal.

Volume II

MS 2000, Definitions, is revised to clarify the definition of fleeing felon per the Farm Bill.

MS 5485, Treatment of Homeless Households with Shelter Costs, is revised to reflect the change in the homeless standard deduction to \$148.

Division of Family Support

Operation Manual  
Transmittal Letter No. 545  
June 1, 2019

MS 6475, Reinstatement and Reactivate, is revised to emphasize that a reactivation should never be initiated unless ALL necessary information has been provided.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 544  
May 3, 2019

Subject: Various Revisions and additions to Volume IVB

### Volume IVB

The Table of Contents is revised to add new sections.

MS 1900, Introduction to Managed Care, is revised to:

- Remove exempt members as this policy has been moved to MS 1904;
- Remove that members have the option of selecting a Primary Care Provider (PCP) in the shopping module after MCO selection;
- Add that if the application pends for verification, workers must ask which MCO the applicant wishes to choose and document in Case Notes;
- Add that MCOs issue welcome packets including a member handbook to new members;
- Add that MCOs have grievance procedures for dissatisfaction with provider assignment; and
- Add that the delivery method of Medicaid is not a qualifying event for a fair hearing.

MS 1903, Managed Care Enrollment, is revised to:

- Add that individuals reapplying more than 60 days since the last MCO enrollment have the opportunity to select an MCO during the application process;
- Remove that workers should capture information regarding the members preferred Primary Care Provider (PCP);
- Add the MCO auto assignment process;
- Remove that an individual may change a physician within the first 90 days of initial enrollment;
- Remove that if a member knows the PCP he/she wishes to utilize, workers need to capture that information;
- Add if the application is pending, the preferred MCO should be documented in Case Notes;
- Add that all members may request an MCO change during Open Enrollment;
- Add that DCBS assists with MCO changes for individuals within their initial 90 day change period, and during Open Enrollment;
- Updated that members subject to managed care enrollment are not issued a KYHealth card and;
- Remove that the delivery method of Medicaid is not a qualifying event for a hearing as this policy has been moved to MS 1900.

MS 1904, Who is Required to Enroll in an MCO and Who is Exempt, is created to:

- List non-exempt Medicaid individuals who are required to enroll in an MCO; and
- List the exempt Medicaid individuals who are not required to enroll in an MCO.

MS 5000, KI-HIPP Overview is created to:

- Provide a general overview of the KI-HIPP program administered by the Department for Medicaid Services (DMS);
- List who is eligible to participate in KI-HIPP;
- List procedures for entering information on the Third Party Liability Screen; and
- List ongoing responsibilities of individuals enrolled in KI-HIPP.

Division of Family Support

Operation Manual  
Transmittal Letter No. 543  
April 1, 2019

Subject: Updates to Volume IVA

This OMTL is created to remove outdated information from Volume IVA.

Volume IVA

MS 1011, Non-MAGI MA Definitions, is revised to remove the statement that individuals residing in a Personal Care Home (PCH) or Family Care Home (FCH) are not considered a community spouse.

MS 4400, Medicare Savings Program Overview, is revised to remove information regarding QI1 benefits having limited annual funding. QI1 has been permanently funded.

MS 4515, QMB, SLMB, OR QI1 Effective Date, is revised to remove information regarding QI1 benefits only being available for the Federal Fiscal Year (FFY). QI1 has been permanently funded and no longer has restrictions based on the FFY.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 542  
April 1, 2019

Subject: Child Support Disqualification

This transmittal is issued to incorporate policy and procedures in FSM, Child Support Enforcement Disqualification, issued on March 6, 2019. The FSM is obsolete with this OMTL.

### VOLUME II

The Table of Contents is revised to change the title of MS 2380 and to add MS 2385.

MS 2380, Child Support Disqualification, is retitled to Child Support Disqualification Overview, and is revised to add administrative hearings procedures and for clarity.

MS 2385, Child Support Disqualification Exemptions, is created to describe disqualification exemption criteria.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 541  
March 1, 2019

Subject: Federal Poverty Levels for 2019

This OMTL is created to update the Federal Poverty Levels (FPL) for 2019 that are effective March 1, 2019. It is also created to update the resource limits for the Medicare Savings Program.

### Volume III

MS 3850, Work Incentive (WIN) Eligibility, is revised to reflect the new Federal Poverty Level limits for 2019.

### Volume IVA

MS 3920, Medicaid Works Financial Eligibility, is revised to reflect the new poverty level income limits for 2019.

MS 4330, Financial Eligibility for QDWI, is revised to update the new income limits for Qualified Disabled Working Individuals (QDWI).

MS 4450, Resource Limits for Medicare Savings Program, is revised to update the resource limits for QMB, SLMB, and QI1.

MS 4455, Income Limits for Medicare Savings Program, is revised to increase the resource amount for an individual to \$7,730 and a couple to \$11,600.

MS 4460, Medicare Savings Program Income, is revised to update the FPL income scale for 2019.

### Volume IVB

The Table of Contents is revised to add MS 2300.

MS 2300, Medical Support Enforcement, is created to incorporate policy regarding who is required to cooperate with MSE, disqualifications for non-cooperation, and curing a disqualification.

MS 2350, Incarceration, is revised to:

- Incorporate policy that incarcerated individual's enrollment in a Managed Care Organization (MCO) will be suspended;
- Add that an MCO enrollment is suspended when an individual's living arrangement is updated to Incarcerated; and
- Add that an incarcerated individual is eligible for Medicaid if they have been hospitalized for more than 24 hours. This coverage is issued by MSBB in Central Office.

MS 2600, Pregnancy, is revised to:

- Add that pregnant women are deemed eligible through the postpartum period as long as they remain in Kentucky;
- Add that pregnant women receiving Medicare can be dually eligible for Qualified Medicare Beneficiary (QMB) or Specified Low-Income Medicare Beneficiary (SLMB);
- Add that children under the age of 19 who become pregnant will have eligibility issued in the PREG TOA;
- Add policy regarding the pregnancy type of assistance ADPR; and
- Format.

MS 2910, MAGI Income Scales, is revised to:

- Remove APTC and CSR as the FPL chart does not outline them;
- Add ADPR for Low Income Adult who is pregnant as a Type of Assistance (TOA); and
- Update the FPL income limits for 2019.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 540  
January 1, 2019

Subject: Miscellaneous Changes

### VOLUME I

The Table of Contents is revised to add MS 0690, Prisoner Match.

MS 0690, Prisoner Match, is created to incorporate procedures for resolving prisoner matches.

### VOLUME II

The Table of Contents is revised to add MS 2380, Child Support Disqualification, and to remove MS 6610, Shortening Certification Periods, as it is obsolete.

MS 2380, Child Support Disqualification, is created to incorporate policy and procedures for individuals with a child support delinquency.

MS 5490, Heating and Cooling Costs/ Standard Utility Allowance, is revised to add the title of the LIHEAP report.

MS 6600, Assigning Certification Periods, is revised to incorporate changes to certification periods.

MS 6610, Shortening Certification Periods, is obsolete as these procedures no longer apply.

MS 7000, Required Verification at Application, is revised to clarify that if another program has entered a verification for school attendance or enrollment, workers must not change it.

### VOLUME IIA

MS 3500, Transportation Procedures, is revised to clarify procedures for issuing transportation payments.

MS 3900, Curing Noncompliance, is revised to clarify policy regarding a claim of unable to work.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 539  
January 1, 2019

Subject: 2019 Spousal Impoverishment and Supplementation Standards

This OMTL is created to incorporate the new Medicaid income and resource standards and State Supplementation standards that are increased effective 1/1/19.

### Volume IVA

MS 1750, Allocations, Allowances, and Standards, is revised and to change the following standards:

- Community Spouse Resource Allowance minimum increased to \$25,284;
- Community Spouse Resource Allowance maximum increased to \$126,420;
- Community Spouse Income Allowance maximum increased to \$3,161;
- Personal Needs Allowance (PNA) for Non-Institutionalized Hospice and all Waiver Services increased to \$791;
- Special Income Standard increased to \$2,313;
- SCL waiver standard increased to \$4,626; and
- Blind or Disabled Child Allocations:
  - The Parent Allocation for Unearned Income is increased:
    - One Parent \$870
    - Two Parent \$1,295
  - The Parent Allocation for Earned Income increased:
    - One Parent \$1,790
    - Two Parent \$2,639

MS 1975, Recognition of an Institutionalized Individual's Homestead Resources, is revised to update the homestead equity limit to \$585,000.

MS 2130, Resource Assessment, is revised to update the homestead equity limit to \$585,000.

MS 2135, Community Spouse Resource Allowance Calculation, is revised to:

- Update the Community Spouse Minimum Resource Allowance to \$25,284; and
- Update the Community Spouse Maximum Resource Allowance to \$126,420.

MS 3480, Deductions and Allowances, is revised to update the monthly PNA for waiver to \$791.

MS 3550, LTC Individual with Community Spouse, is revised to update the special income standard to \$2,213 and the maximum Community Spouse Income Allowance to \$3,161.

MS 3910, Medicaid Works Application, is revised to update the Substantial Gainful Activity (SGA) limit for a disabled individual to \$1,220 and update the SGA limit for a blind individual to \$2,040.

MS 3912, Medicaid Works Substantial Gainful Activity (SGA), is revised to update the SGA for a disabled and blind individual to \$1,220 and \$2,040, respectively.

MS 4670, SSI Financial Standards, is revised to change the following standards:

- SSI income standard for an individual increased to \$771; and
- SSI income standard for a couple increased to \$1,157.

#### Volume V

MS 1200, State Supplementation Standards, is revised to change the following standards and to incorporate the new standards in the examples:

- Personal Care Home standard increased to \$1,291;
- Community Integration Supplementation standard increased to \$1,291;
- Family Care Home standard increased to \$943;
- Caretaker Services standard for an individual, or an individual with an ineligible spouse, increased to \$833;
- Caretaker Services standard for an individual with an eligible spouse but only one requiring care increased to \$1,218; and
- Caretaker Services standard for a couple both requiring care increased to \$1,272.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 538  
January 1, 2019

Subject: Miscellaneous Revisions to Volume I for Claims Management Section

### Volume I

The Table of Contents, is revised to update the title of the following sections: 0530, 0535, 0540, 0545 to change "Appeals Board" to "Cabinet Secretary/Secretary's designee".

[MS 0440](#), Administrative Hearing Overview, is revised to update "Appeal Board" to "Cabinet Secretary/Secretary's designee" and to update the PAFS-277, Hearing Withdrawal Confirmation Notice, procedures.

[MS 0450](#), The Hearing Process, is revised to update "Appeal Board for Public Assistance" to "Cabinet Secretary/Secretary's designee".

[MS 0455](#), Fair Hearings, is revised to update "Appeal Board" to "Cabinet Secretary/Secretary's designee".

[MS 0460](#), The Hearing Request, is revised to update the PAFS-277 procedures and to update "Appeal Board" to "Cabinet Secretary/Secretary's designee".

[MS 0475](#), Hearing Time Frames, is revised to update "Appeal Board for Public Assistance" to "Cabinet Secretary/Secretary's designee".

[MS 0480](#), Scheduling the Hearing, is revised to remove DAH procedures regarding the AR-2.

[MS 0495](#), Denial/Dismissal of Hearing Request, is revised to update the PAFS-277 procedures.

[MS 0510](#), Recommended Order, is revised to update the exception process to include denied Recommended Orders regarding fair hearings as well as ADH hearings, to update "Appeal Board for Public Assistance" to "Cabinet Secretary/Secretary's designee", and to add the requirement of field staff to email draft exceptions to respective program inboxes.

[MS 0515](#), The Final Order, is revised to update "Appeal Board for Public Assistance" to "Cabinet Secretary/Secretary's designee".

[MS 0520](#), Local Office Follow-Up to a Final Order, is revised to update "Appeal Board for Public Assistance" to "Cabinet Secretary/Secretary's designee" and to change the hearing officer's responsibility ends with the issuance of the final order to the hearing officer's responsibility ends with the issuance of the recommended order.

[MS 0530](#), Appeal to the Appeal Board, is revised to update "Appeal to the Appeal Board" to "Appeal to Cabinet Secretary/Secretary's designee", update the appeal timeframes from 20 days to 15 days, to update "Appeal Board" to "Cabinet Secretary/Secretary's

designee", and to update the email recipient from [CHFSAppealBoard@ky.gov](mailto:CHFSAppealBoard@ky.gov) to [Hearings.BranchFC@ky.gov](mailto:Hearings.BranchFC@ky.gov).

[MS 0535](#), Hearing of Appeals, is revised to update "Appeal Board" to "Cabinet Secretary/Secretary's designee".

[MS 0540](#), The Appeal Board Decision, is revised to update "The Appeal Board Decision" to "The Cabinet Secretary/Secretary's designee Decision", and to update "Appeal Board" to "Cabinet Secretary/Secretary's designee".

[MS 0545](#), Judicial Review of Appeal Board Decisions, is revised to update "Judicial Review of Appeal Board Decisions" to "Judicial Review of Cabinet Secretary/Secretary's designee Decisions", and to update "Appeal Board" to "Cabinet Secretary/Secretary's designee".

[MS 0870](#), General Procedures For All Claims, is revised to add face to face appointments are required for all suspected fraud claims.

[MS 0940](#), Who Must Pay A Claim, is revised to clarify who is considered a liable adult member.



Division of Family Support

Operation Manual  
Transmittal Letter No. 536  
November 1, 2018

Subject: Various Revisions to Volume IVB

This OMTL outlines revisions in Volume IVB to update and clarify Medicaid policy and procedures in the following manual sections.

Volume IVA

MS 3550, Long Term Care Individual with Community Spouse, is revised to update the telephone standard to \$38.

Volume IVB

The Table of Contents is revised to change and obsolete some of the manual sections.

MS 1000, MAGI Medicaid Overview, is revised for clarity.

MS 1050, MAGI Medicaid Definitions, is revised to add, remove, and update definitions.

MS 1070, Categories of Assistance, is revised for clarity.

MS 1200, Right to Apply, is revised to:

- Change the title to MAGI Medicaid Application/Interview Process;
- Add the interview process;
- Add policy from MS 1230 and MS 1240; and
- Clarify and format.

MS 1212, Interview Process, is obsolete as this policy has been added to MS 1200.

MS 1213, Who Signs the Application, is obsolete as this policy has been added to MS 1200.

MS 1220, Entitled Benefits, is revised for clarity.

MS 1230, SSI Applications, is obsolete as this policy has been added to MS 1200.

MS 1240, Applications for the Deceased, is obsolete as this policy has been added to MS 1200.

MS 1250, Case File Content, is revised to:

- Change the title to Electronic Case File;
- Remove Quality Assurance (QA) reviews; and
- Clarify and format.

MS 1290, Changes, is revised to add that when a deemed eligible newborn is added to a case, workers should ensure coverage is issued back to the date of birth. It is further revised for formatting and clarity.

MS 1320, Standard of Promptness, is revised to:

- Add the 30 day time frame for applications when the 30<sup>th</sup> day falls on a weekend or holiday;
- Add that extensions cannot be allowed for more than 15 days per request and may not exceed more than 30 days total;
- Add that a case cannot pend for longer than 60 days from the application date; and
- Clarify and format.

MS 1460, Timely Notice of Decrease/Discontinuance, is revised to:

- Change the title to Timely Notice of Discontinuance and Reasons for Negative Action;
- Remove HBE-005, Health Benefits Eligibility Notice and replace with KIP-105.1, Notice of Eligibility;
- Add negative action reasons; and
- Clarify and format.

MS 1490, Reasons for Negative Action, is obsolete as the policy has been added to MS 1460.

MS 1500, Fraud, is revised to change the title to Misrepresentation and Fraud. It is also revised to update the address for the Office of the Inspector General (OIG).

MS 1530, KYHealth Card, is revised to remove reference to KAMES and kynect. It is further revised for formatting and clarity.

MS 1600, Retroactive Medicaid, is revised to:

- Remove that for individuals requesting coverage prior to January 1, 2014 eligibility must be entered on KAMES; and
- Clarify.

Division of Family Support

Operation Manual  
Transmittal Letter No. 535  
October 1, 2018

Subject: Annual Cost-of-Living Adjustments (COLA) for Utility and Income Standards and Shelter Deductions

Volume II

The following manual sections are revised to reflect the annual COLA for Fiscal Year 2019 changes for income eligibility scales, standard deductions, utility allowances, and Basis of Issuances (BOI).

[MS 5200](#), Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165% Gross, and 200% Gross Income scales, and both the income and income limits listed in the example are updated.

[MS 5400](#), Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 1-6+) and the Maximum Shelter Deduction.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated Standard Utility Allowance (SUA).

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to reflect the updated Basic Utility Allowance (BUA) and telephone standards.

[MS 5500](#), Treatment of Utility Expenses, is revised to reflect the updated telephone standard.

[MS 5800](#), Calculation of Allotment, is revised to reflect the annual COLA change for the Maximum Shelter Deduction and to revise the Maximum SNAP Benefit Allotments for household sizes 1-8.

[MS 9010](#), DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, Maximum Shelter Deduction for a household of 4, and the example calculations.

Division of Family Support

Operation Manual  
Transmittal Letter No. 534  
October 1, 2018

Subject: SNAP Interim Review Processing

Volume II

[MS 6480](#), SNAP Interim Review Overview, is revised to remove reference to 30/60 policy as this policy no longer applies to FS-2 processing.

[MS 6485](#), SNAP Interim Review Processing, is revised to remove reference to 30/60 policy as this policy no longer applies to FS-2 processing.

[MS 6490](#), SNAP Interim Review Verification Requirements, is revised to remove reference to 30/60 policy as this policy no longer applies to FS-2 processing.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 533  
August 1, 2018

Subject: Miscellaneous Revisions to Volume I for Claims Management Section

### Volume I

[MS 0450](#), The Hearing Process, is revised to remove the requirement of staff to send an email to the staff regarding a hearing request and to update the notification method of the recommended orders.

[MS 0500](#), Conduct of the Hearing, is revised to remove the reference to KAMES.

[MS 0510](#), Recommended Order, is revised to update the recommended order process to include the addition of the Hearings Module procedures.

[MS 0515](#), The Final Order, is revised to update the Final Order process with the addition of the Hearings Module.

[MS 0520](#), Local Office Follow-up to a Final Order, is revised to update the Final Order process with the addition of the Hearings Module and to update the MRT hearing process for Worker Portal.

[MS 0530](#), Appeal to the Appeal Board, is revised to update the Final Order process with the addition of the Hearings Module.

[MS 0830](#), Responsibilities for Claims, is revised to add that form FS-80A, is valid to impose an IPV, only when signed and dated by the client.

[MS 0870](#), General Procedures for All Claims, is revised to remove reference to listing income and deductions that are already contained in the case or claim calculations.

[MS 0880](#), General Procedures for a Suspected Fraud Claim, is revised to remove mention of "Y" SIPV indicator and to note that form FS-80A is to be both signed and dated by the client.

[MS 0950](#), Claim Repayment Methods, is revised to add the payment installment table.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to add that form FS-80A, is valid to impose an IPV, only when signed and dated by the client.

[MS 1050](#), How to Process an Intentional Program Violation, is revised to update procedures for entering the FS-80A data onto the Benefit Management screens.

[MS 1060](#), Criteria for Pursuing an Intentional Program Violation Claim, is revised to remove the supervisor requirement to review and concur prior to pursuit of an SIPV claim.

[MS 1070](#), Administrative Disqualification Hearings, is revised to update the addition of the Hearings Module to Worker Portal and the processes regarding how to request an Administrative Hearing Disqualification Hearing Worker Portal.

[MS 1110](#), Intentional Program Violation Disqualification Penalties, is revised to update the decision date for an IPV when FS-80A is received and to remove the additional three days added for mail time when imposing an IPV.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 531  
July 1, 2018

Subject: 2018 Spousal Impoverishment Standards and Updates to the Life Expectancy Table and Extension Requests

This OMTL is created to update the new Community Spouse Income Allowance, Family Member Income Allowance, and Community Spouse Minimum Shelter Allowance that increased effective July 1, 2018. It is also created to update the life expectancy table and update policy regarding extension requests.

### Volume IVA

MS 1470, Standard of Promptness, is revised to incorporate changes regarding extension requests for more time to provide verification. Extensions cannot be allowed for more than 15 days per request and may not exceed more than 30 days total. It is further revised for clarity and formatting.

MS 1750, Allocations, Allowances, and Standards, is revised to change the following standards effective 7/1/18:

- Minimum Community Spouse Income Allowance increased to \$2,058;
- Community Spouse Minimum Shelter Allowance increased to \$618; and
- Family Member Income Allowance increased to \$2,058.

MS 1900, Life Expectancy Table, is revised to update the life expectancy table with the most recent standards from the Social Security Administration (SSA).

MS 3550, Long Term Care Individual with Community Spouse, is revised to change the following standards effective 7/1/18:

- Minimum Community Spouse Income Allowance increased to \$2,058;
- Community Spouse Minimum Shelter Allowance increased to \$618; and
- Family Member Income Allowance increased to \$2,058.

Subject: Various Changes to Volume II, IIA and III

Vol. II

MS 2900, Alien Status, is revised to clarify that once a child under 18 turns 18, he or she must meet another SNAP criteria to continue to be eligible.

MS 3160, Categorical Eligibility, is revised to clarify that the 200% or less gross income limit applies to households in which ALL members are elderly/disabled.

MS 3175, Verification at Application, is revised to clarify that client statement is accepted for verification of resources. The workaround of using collateral contact "CC" is removed.

MS 5520, Special Considerations for Specific Households, is revised to clarify that the amount of an expense paid by an ineligible student is not an allowable expense.

MS 5650, Budgeting Income, is revised to clarify that if a client does not provide verification of the prior two months of income but has provided verification that is representative of their anticipated income, use the verification provided. It is also revised to clarify that Ready To Work (RTW) income should be entered based on the frequency of pay.

MS 5800, Calculation of Allotment, is revised to clarify that one or two member households who are categorically eligible receive a minimum allotment of \$15.

MS 6310, Types of Interviews, is revised to add that a home based interview is allowable if a household request one due to hardship.

MS 6320, Scope of the interview, revised to remove the reference to form FS 500.1, Able-Bodied Adults without Dependents – Fact Sheet, as it is obsolete.

MS 6330, Criteria for Out Of Office Interview, is revised to clarify that a home based interview may be granted if the household requests one due to hardship.

MS 6410, Verification Time Standards at Application and Recertification, is revised to state that when a household applies for multiple programs and has multiple Request for Information (RFI) due dates, the household be advised to adhere to the earliest due date.

MS 6475, Reinstate and Reactivate, is revised to clarify policy on when it is correct to reinstate a case and when to reactivate a case.

MS 7000, Required Verification at Application, is revised to state that inactivity of a case for more than 60 days deems verification as outdated. It is also revised to clarify verification of household composition must list each household member.

MS 7030, Required Verification at Recertification, is revised to clarify verification of household composition must list each household member.



VOL. IIA

MS 1650, Work Registration Exemptions, is revised to give worker portal instructions for when moving a child out of a SNAP edge. It also revised to add that a member in receipt of Veterans Administration (VA) payments based on 100% disability are exempt from work registration. It is further revised to clarify that disability must be re-verified at recertification.

MS 2000, ABAWD Overview, is revised to clarify that for expedited approvals with two-month certification period, the client must begin meeting the 80-hour work requirement in the second month of the certification period. It is also revised to state that the initial transportation payment will issue upon disposition.

MS 2105, ABAWD Exemptions, is revised to clarify that members in receipt of VA Payments, regardless of the degree of disability, are exempt from ABAWD requirements.

MS 2300, ABAWD Tracking, is revised to clarify that the 15% exemption code, FP, is not system applied.

MS 2455, Job Retention Services, is created to issue policy regarding job retention services.

MS 2500, Procedures for Non-Exempt ABAWD, is revised to remove the reference to form FS 500.1, Able Bodied Adults without Dependents - Fact Sheet, as it is obsolete.

MS 2750, ABAWD Bonus Months, is revised to clarify policy on bonus month eligibility.

MS 3900, Curing Noncompliance, is revised to clarify that members wishing to regain eligibility by working have their eligibility based on anticipated hours and do not have to work for 30 days prior to re-establishing eligibility.

VOL. III

MS 2120. KTAP Application/Recertification Interviews, is revised to clarify that Verification that is 60 days or less old can be used for the KTAP application or recertification.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 529  
June 1, 2018

**Subject:** Revisions to Volume I for Conversion to Remove KAMES and Incorporate Worker Portal and Business Redesign

General revisions in this OMTL include removing the references to KAMES, removing the hyphen in KTAP, and adding references to Worker Portal. Additional revisions to specific sections are listed below.

### Volume I

The Table of Contents is revised to delete the following sections:

- MS 0021, General Overview of KAMES Inquiry;
- MS 0060, Case Transfer Procedures;
- MS 0070, General Provisions for Assignment of Worker ID and Caseloads Codes;
- MS 0080, Caseload Weights

In addition, the name of MS 0050 is changed to Case Responsibility, and MS 0055 is changed to Kentucky Online Gateway (KOG).

MS 0001, Family Support Manuals and Program Instructions, is revised to remove the FAD and KAMES user guides, and to change the KEUPS user guide to KOG user guide. Also, the Computer Manual is removed.

MS 0020, General Case Processing, is revised to add that all requested verifications should be returned to the centralized mail center, which then scans it into the electronic case file (ECF) that creates a task on the Worker Portal dashboard.

MS 0021, General Overview of KAMES Inquiry, is obsolete.

MS 0040, Purging Obsolete Material, is revised to change the reference from the Disqualified Recipient Subsystem (DRS) to the Electronic Disqualified Recipient Subsystem (eDRS).

MS 0050, County of Case Responsibility, is renamed Case Responsibility and revised that cases do not have a specific worker assigned to them. There are three exceptions: Department of Juvenile Justice cases and SAFE cases are processed in Central Office; and KTAP cases that involve KWP participation activities are the responsibility of the county of residence.

MS 0055, Kentucky Enterprise User Provisioning System (KEUPS), is renamed Kentucky Online Gateway (KOG), and revised to change the reference from KEUPS to KOG.

MS 0060, Case Transfer Procedures, is obsolete.

MS 0070, General Provisions for Assignment of Worker ID and Caseload Codes, is obsolete.

MS 0080, Caseload Weights, is obsolete.

MS 0090, Returned Mail, is revised to reference the centralized mail center and its duties with regard to returned mail.

MS 0100, Returned Checks, is revised to state once the cancelled KTAP, Kinship Care or State Supplementation check has been redeposited, the Benefit Status is updated on Worker Portal.

MS 0110, Report of Nonreceipt of Benefits Issued by Check, is revised to remove references to KAMES and add Worker Portal instructions.

MS 0115, Replacement of a Check that is Cashed, is revised to add Worker Portal instructions.

MS 0130, Documentation, is revised to remove reason for telephone interview from the documentation requirements.

MS 0140, Acronyms, is revised to add KOG, and remove KAMES, and KEUPS. Also, Workforce Investment Act (WIA) to Workforce Innovation and Opportunity Act (WIOA).

MS 0210, Civil Rights Overview, is revised to remove the reference to KAMES coding.

MS 0230, Limited English Proficiency (LEP), is revised to clarify that the form, Waiver of Interpreter Services – Limited English Proficiency (LEP), is completed when the client indicates a primary language other than English and he/she does not want to use an approved interpreter service provided by the Cabinet. In addition, information on how to request a translation of material is clarified.

MS 0650, Voter Registration Procedures, is revised to state the opportunity to register to vote is given to the head of household who is 17 years or older at application, recertification and address change.

Division of Family Support

Operation Manual  
Transmittal Letter No. 528  
May 1, 2018

Subject: ABAWD BONUS Months

Volume II A

MS 2750, ABAWD BONUS Months, is revised to add examples of BONUS months situations and for clarity.

## Division of Family Support

Operation Manual  
Transmittal Letter No.527  
April 1, 2018

Subject: State Supplementation Policy Moved to Volume V

This OMTL is created to remove State Supplementation policy and procedures from Volume IVA to incorporate it into Volume V, thereby creating a standalone volume for State Supplementation policy.

### Volume IVA

The following manual sections have been obsoleted and the information incorporated into Volume V.

MS 4900, State Supplementation Payments Overview  
MS 4910, State Supplementation Standards  
MS 4930, Application Process for State Supplementation  
MS 4940, Recertification/Review Process & Discontinuances  
MS 4950, SSI Recipients  
MS 4960, Non-SSI Individuals  
MS 4970, Enumeration  
MS 5000, Third Party Liability (TPL) Assignment  
MS 5020, General Requirements  
MS 5050, Personal Care Home (PCH) and Family Care Home (FCH)  
MS 5055, Community Integration Supplementation (CIS)  
MS 5060, Caretaker Services  
MS 5070, Temporary Stay in a Medical Institution  
MS 5100, Resources  
MS 5110, Introduction to Income  
MS 5130, Couples Living Together  
MS 5140, Couples Living Apart  
MS 5180, Category Change  
MS 5210, Erroneous Payments  
MS 5235, Return of State Supplementation Checks

### Volume V

[MS 1100](#), State Supplementation Overview, is created to give an overview of the State Supplementation program.

[MS 1200](#), State Supplementation Standards, is created to explain that the State Supplementation payment is the difference between the appropriate standard and the countable income. It also lists the standard for each State Supplementation category and examples for calculating the payment for each category.

[MS 1300](#), Authorized Representative, is created to outline the requirements for an Authorized Representative to apply for State Supplementation on the client's behalf.

[MS 1400](#), Application Process, is created to outline the processes a worker must take when interviewing the individual and completing the State Supplementation application.

[MS 1500](#), Recertification Process, is created to explain the recertification process and 12-month review process.

[MS 1600](#), General Technical Eligibility Requirements, is created to outline the general technical eligibility requirements for the State Supplementation program, including enumeration, citizenship, residency, Third Party Liability (TPL), and application for statutory (entitled) benefits.

[MS 1700](#), Aged, Blind, Disabled, is created to outline what requirements an individual must meet to be considered aged, blind, or disabled. It further explains under what circumstances a field determination of disability can be made and when a referral to the Medical Review Team (MRT) is required.

[MS 1800](#), State Supplementation Categories, is created to provide information about the State Supplementation living arrangements for Personal Care Home (PCH), Family Care Home (FCH), Community Integration Supplementation (CIS), and Caretaker Services.

[MS 1900](#), Temporary Stay in a Medical Institution, is created to explain what is required for an individual to continue receiving State Supplementation so they can maintain their living arrangement when they are temporarily hospitalized or admitted to a Nursing Facility (NF) for a stay that is expected to be no more than 90 days.

[MS 2000](#), Overview of Income, is created to provide a general overview of income and how it is considered in the State Supplementation eligibility determination.

[MS 2100](#), Earned Income, is created to explain the types of earned income in the State Supplementation program, how they are verified, and how they are considered.

[MS 2200](#), Unearned Income, is created to explain the types of unearned income in the State Supplementation program, how they are verified, and how they are considered.

[MS 2300](#), Excluded Income, is created to explain the types of income that are excluded from consideration when completing the State Supplementation eligibility determination.

[MS 2400](#), Income Calculations for Couples, is created to explain how the income of couples is considered for the different living arrangement categories of the State Supplementation program.

[MS 2500](#), Overview of Resources, is created to provide a general overview of resources, the resources limits, and how resources are considered in the State Supplementation program.

[MS 2600](#), Consideration of Resources is created to explain the different types of resources that are considered in the State Supplementation program.

[MS 2700](#), Excluded Resources, is created to explain the different types of resources that are excluded from consideration when completing the State Supplementation eligibility determination.

[MS 2800](#), Return of State Supplementation Checks, is created to explain when an individual must return a State Supplementation check and the process workers must follow when a State Supplementation check is returned to the local office.

Division of Family Support

Operation Manual  
Transmittal Letter No. 526  
April 1, 2018

Subject: Federal Poverty Levels for 2018

This OMTL is created to update the Federal Poverty Levels (FPL) for 2018 that are effective April 1, 2018.

Volume III

[MS 3850](#), Work Incentive (WIN) Eligibility, is revised to reflect the new Federal poverty level limits for 2018.

Volume IVA

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to reflect the new poverty level income limits for 2018.

[MS 4330](#), Financial Eligibility for QDWI, is revised to update the new income limits for Qualified Disabled Working Individuals (QDWI).

[MS 4455](#), Income Limits for Medicare Savings Program, is revised to update the income limits for 2018.

[MS 4460](#), Medicare Savings Program Income, is revised to update the FPL income scale for 2018 and to replace KAMES with Worker Portal.

Volume IVB

[MS 2910](#), MAGI Income Scales, is revised to reflect the new poverty level income limits for 2018.



Division of Family Support

Operation Manual  
Transmittal Letter No.525  
April 1, 2018

Subject: Interest Income

Vol. II

MS 5210, Excluded Income, is revised based on a recent Federal Nutrition Services (FNS) clarification to remove interest income as this income is now considered countable.

MS 5220, Countable Income, is revised based on a recent Federal Nutrition Services (FNS) clarification to add interest income.

MS 6765, Acting on Change of Address, is revised to clarify the procedure for entering mailing addresses on Worker Portal.

Division of Family Support

Operation Manual  
Transmittal Letter No. 524  
February 1, 2018

Subject: Miscellaneous Revisions to Volume I for Claims Management Section

Volume I

[MS 0440](#), Administrative Hearing Overview, is revised to add form PAFS-277, Hearing Withdrawal Confirmation Notice, procedure and procedural instructions to the voluntary withdrawal process.

[MS 0460](#), The Hearing Request, is revised to add form PAFS-277 procedures and procedural instructions to the voluntary withdrawal process.

[MS 0495](#), Denial/Dismissal of Hearing Request, is revised to add form PAFS-277 procedure and procedural instructions when completing a withdrawal on behalf of the client.

[MS 0510](#), Recommended Order, is revised to clarify that the Recommended Order does not become Final for KTAP and KWP.

[MS 0800](#), How to Prevent A Claim, is revised to add procedures for requesting new income for the Child Care Assistance Program.

[MS 0850](#), Electronic Claims Files, is revised to list Child Care Claims forms that must be filed in the Electronic Claims File.

[MS 0900](#), Determining Eligibility Through Extensive Review, is revised to correct and clarify procedures for DETER referrals.

[MS 1005](#), No Claim Determination, is revised to clarify expedited SNAP case claim determination and Self Service Portal (SSP) application claim determinations.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to remove reference to EBT website and add Fidelity Information Service (FIS).

[MS 1030](#), How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim, is revised to add procedures for unreported self-employment/farm income.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 523  
January 1, 2018

Subject: 2018 Spousal Impoverishment Standards and Other Various Revisions to Volume IVA

This OMTL is created to incorporate the new Medicaid income and resource standards and State Supplementation standards that increased effective 1/1/18. It also incorporates the updated standards that were effective 7/1/17.

### Volume IVA

The Table of Contents is revised to change the title of MS 1750 and MS 1975.

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the title to Allocations, Allowances, and Standards and to change the following standards:

- Community Spouse Resource Allowance minimum increased to \$24,720;
- Community Spouse Resource Allowance maximum increased to \$123,600;
- Community Spouse Income Allowance maximum increased to \$3,090;
- Community Spouse Income Allowance minimum increased to \$2,030;
- Community Spouse Shelter Allowance minimum increased to \$609;
- Family Member Income Allowance increased to \$2,030;
- Personal Needs Allowance (PNA) for Non-Institutionalized Hospice and all Waiver Services increased to \$770;
- SSI Standard increased to \$750;
- Special Income Standard increased to \$2,250;
- Unearned income limit for Medicaid Works increased to \$750;
- SCL waiver standard increased to \$4,500; and
- Blind or Disabled Child Allocations:
  - The ineligible sibling allocation increased to \$368;
  - The Parent Allocation for Unearned Income is increased:
    - One Parent \$790
    - Two Parent \$1,165
  - The Parent Allocation for Earned Income increased:
    - One Parent \$1,616
    - Two Parent \$2,381

[MS 1975](#), Recognition of an Institutionalized Individual's Homestead Resources, is revised to:

- Change the title to Homestead Property;
- Update the homestead equity limit to \$572,000;
- Remove reference to KAMES and replace with Worker Portal;
- Incorporate policy that if homestead property is out of state, and an individual declares intent to return home, the individual does not meet residency requirements;
- Incorporate policy that Worker Portal will send KIP-105.12, Excluded Resource Notice, to an individual advising them when homestead property becomes countable and to contact DCBS with intent to return or effort to sell;

- Remove reference to form MA-10, Reasonable Effort to Sell Checklist, as the form is obsolete and no longer has to be completed; and
- Clarify and format.

[MS 2130](#), Resource Assessment, is revised to:

- Update the homestead equity limit to \$572,000;
- Remove reference to form PA-22, Resource Assessment, as workers now use the Resource Assessment module in Worker Portal;
- Incorporate policy that an individual may complete a pre-application resource assessment or they may complete the resource assessment as part of the application;
- Incorporate policy that Worker Portal generates a copy of the completed resource assessment in batch which is mailed to the individual or representative; and
- Clarify and format.

[MS 2135](#), Community Spouse Resource Allowance Calculation, is revised to:

- Update the Community Spouse Minimum Resource Allowance to \$24,720;
- Update the Community Spouse Maximum Resource Allowance to \$123,600;
- Remove references to KAMES; and
- Incorporate policy that the LTC Resource Transfer Consent screen should be completed instead of form PA-1A Supplement C, when an institutionalized spouse declares intent to transfer resources to the community spouse.

[MS 3480](#), Deductions and Allowances, is revised to:

- Update the monthly PNA for waiver to \$770;
- Remove KAMES program codes;
- Remove the reference to KAMES and form PA-40, Third Party Liability Health Insurance, as insurance information is entered on Worker Portal; and
- Remove reference to spot checks on KAMES.

[MS 3550](#), LTC Individual with Community Spouse, is revised to update the special income standard, the maximum Community Spouse Income Allowance, the minimum Community Spouse Income Allowance, and the minimum Community Spouse Shelter Allowance.

[MS 3910](#), Medicaid Works Application, is revised to:

- Update the Substantial Gainful Activity (SGA) limit for a disabled individual to \$1,180;
- Update the SGA limit for a blind individual to \$1,970;
- Add that Worker Portal will issue form PA-5.1, Report or Referral To The District Social Security Office, to an individual that has income and resources that are within the Supplemental Security Income (SS) standard; and
- Remove references to KAMES.

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is revised to update the SGA for a disabled and blind individual. It is also revised to update the MRT process.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to update the unearned income limit for Medicaid Works to \$770. It is also revised to update the Federal Poverty Levels (FPL) for 2017.

[MS 4455](#), Income Limits for Medicare Savings Program, is revised to update the FPL's for 2017.

[MS 4670](#), SSI Financial Standards, is revised to change the following standards:

- SSI income standard for an individual increased to \$750; and
- SSI income standard for a couple increased to \$1,125.

[MS 4910](#), State Supplementation Standards, is revised to change the following standards:

- Personal Care Home standard increased to \$1,270;
- Community Integration Supplementation standard increased to \$1,270;
- Family Care Home standard increased to \$922;
- Caretaker Services standard for an individual with an ineligible spouse increased to \$812;
- Caretaker Services standard for an individual with an eligible spouse but only one requiring care increased to \$1,186; and
- Caretaker Services standard for a couple both requiring care increased to \$1,240.

Division of Family Support

Operation Manual  
Transmittal Letter No. 522  
January 1, 2018

Subject: Transitional Medical Assistance

This OMTL is created to outline policy regarding Transitional Medical Assistance (TMA) that is effective January 1, 2018.

Volume IVB

The Table of Contents is revised to add the new manual sections.

[MS 4000](#), Transitional Medical Assistance, is created to provide an overview of TMA.

[MS 4100](#), Eligibility and Reporting Requirements, is created to incorporate policy regarding TMA eligibility and reporting requirements.

[MS 4200](#), Transitional Medical Assistance Good Cause, is created to incorporate policy regarding good cause for the untimely return of form MA-800, Transitional Medical Assistance Report Form.

[MS 4500](#), MAGI Acronyms, is revised to add TMA as an acronym.

## Division of Family Support

Operation Manual  
Transmittal Letter No.520  
January 1, 2018

Subject: Miscellaneous Revisions to Volume II and IIA

### VOLUME II

MS 3260, Change Report Requirements for SAFE, is revised to reference MS 6765 for acting on address changes.

MS 3500, Residency, is revised to reference MS 6765 for acting on changes of address.

MS 6460, Assigning Certification Periods for Expedited Services, is revised to clarify procedures for expedited applications taken after the 15<sup>th</sup> of the month.

MS 6765, Acting on Changes of Address, is revised to add step-by-step instructions on how to enter addresses that include apartment/lot numbers, etc. on Worker Portal to ensure that the address file(s) are correctly transmitted to Fidelity Information Services (FIS), which issues EBT cards and benefits.

### VOLUME IIA

Table of Contents is revised to remove MS 3250, 3700, 3800, 3850, 4000, and 4150 as they are obsolete. MS 3900 is retitled, Curing Non-Compliance.

MS 1100, Work Registration Overview, and MS 1550, Work Registration Procedures, are revised to clarify that members must only "agree" to work register.

MS 1555, SNAP Work Registration for KTAP Recipients, is revised to clarify that members must only agree to work register and that the work registration status will state "Agree/Pending".

MS 1650, Work Registration Exemptions, is revised to state that if a field determination of disability is made, the worker will select " worker observation" as the verification source. It is also revised to clarify that participation in AA or NA does not exempt a member from work registration and that high school students are exempt up until age 21.

MS 1700, Loss of Exemption, and MS 1705, Loss of Exemptions for 18 Year Olds, are revised to clarify that members only need to "agree" to register for work.

MS 2000, ABAWD Overview, is revised to issue procedures for members wishing to volunteer for the E&T program.

MS 2100, ABAWD Work Requirements, is revised to state that members may choose to volunteer to participate in the E&T program. It is also revised to state that in specified counties, any member between the ages of 16-60 may volunteer to participate in the E&T program.

MS 2105, ABAWD Exemptions, is revised to state that ABAWDs that do not meet any of the listed exemption criteria, but have some characteristic that makes them “hard to serve”, can be exempted by changing their tracking code to FP-15% exemption.

MS 2250, Components, is revised to list the approved E&T components and to include a brief explanation of each one. It is also revised to change the references from WEP to Workfare.

MS 2300, ABAWD Tracking, is revised to replace the reference from disqualified to ineligible. It also revised to add additional tracking codes.

MS 2350, Changes in ABAWD Status, and MS 2450, Out Of State ABAWD, are revised clarify that “Manage ABAWD Months” is now called “Manage Work Participation Months”.

MS 2500, Procedures for Non-Exempt ABAWD, is revised to clarify procedures on what a non-exempt member must do to remain eligible for SNAP benefits. Procedures for completing the assessment and tracking activity have been obsoleted as these steps are handled by a career coach.

MS 2510, Training Site Agreement, is revised to change references from WEP to Workfare and to clarify that this agreement is now the responsibility of the career coach.

MS 2550, Good Cause Determination, is revised to clarify that if an individual requests good cause on their participation activity report, it is the E&T worker’s responsibility to determine if the request shall be granted.

MS 2600, Transportation “Excessive Expense” Good Cause Exemption, is obsolete as these procedures no longer apply.

MS 2700, ABAWD Noncompliance, is revised to change the reference from disqualified to ineligible.

MS 2750, ABAWD Bonus Months, is revised to incorporate a clarification from Food and Nutrition Services (FNS) regarding voluntary quit.

MS 3250, Component Choices, is obsoleted as it is incorporated in MS 2250.

MS 3400, Reporting Changes, is revised to remove the reference to a disqualified recipient.

MS 3500, Transportation Payment Procedures, is revised to clarify that the system will auto generate a transportation payment up to \$25 to individuals who volunteer to participate, and all other payments will be issued by a career coach.

MS 3600, Authorizing Transportation Payments, is revised to clarify procedures on issuing payments.



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January 1, 2018

MS 3700, Conciliation Due To Noncompliance, is obsoleted as these procedures no longer apply.

MS 3800, Imposing ETP Disqualifications, is obsoleted as these procedures no longer apply.

MS 3850, ET Conciliation Met, is obsoleted as these procedures no longer apply.

MS 3900, Curing Disqualifications, is renamed Curing Noncompliance. It is also revised to clarify procedures for curing noncompliance.

MS 4000, Compliance Referrals, is obsoleted as these procedures no longer apply.

MS 4150, Imposing ETP Disqualifications, is obsoleted as these procedures no longer apply.

MS 4500, Ending Work-Related Disqualifications, is revised to remove the reference ETP disqualifications as these no longer apply.

MS 4550, Penalties For Noncompliance, is revised to remove the references to ETP disqualifications as these no longer apply.

MS 4800, Move From County to County, is revised to change the reference from disqualification to noncompliance.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 518  
October 1, 2017

Subject: Annual Cost-of-Living Adjustments (COLA) for Utility and Income Standards, Shelter Deductions, and Resource Maximums and Various Changes

### Volume II

[MS 2600](#), Basis for Treatment Center Participation, is revised to state that DAA centers must get a letter from the CHFS, Department of Behavioral Health, Developmental and Intellectual Disabilities, (DBHDID) which states the facility is operating to further the purpose of part B of Title XIX, to provide treatment and rehabilitation of drug addicts and/or alcoholics. To obtain this letter, DAA centers must call The Adult Substance Use Treatment and Recovery Services Branch within DBHDID at (502) 564-4456.

[MS 5000](#), Resource Maximums, is revised to reflect the updated Resource Limit for elderly and disabled households, and a reference to [MS 3160](#) was added for specifications on households who are not categorically eligible.

[MS 5200](#), Income Eligibility Scale, is revised to reflect the Net, 130% Gross, 165%, and 200% Gross Income scales, and the income limits listed in an example are updated.

[MS 5400](#), Deductions-General, is revised to reflect the updated Standard Deductions (household sizes 1-6+) and the Maximum Shelter Deduction.

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to reflect the updated BUA standard.

[MS 5800](#), Calculation of Allotment, is revised to reflect the annual COLA change to the Maximum Shelter Deduction, change to the minimum allotment, and to revise the Maximum SNAP Benefit Allotments for household sizes 1-8 and each additional member.

[MS 6420](#), Issuance Time Standards at Application, is revised to refer applications with severely delayed processing (more than 1 year) due to agency error to [MS 6790](#) for restoration procedures.

[MS 6470](#), Delays in Processing, is revised to refer applications with severely delayed processing (more than 1 year) due to agency error to [MS 6790](#) for restoration procedures.

[MS 6500](#), Overview of Recertification Time Standards, is revised to refer recertifications with severely delayed processing (more than 1 year) due to agency error to [MS 6790](#) for restoration procedures.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 518  
October 1, 2017

[MS 6530](#), Issuance Time Standards at Recertification, is revised to reflect a word correction from “work day” to “workday” and to refer recertifications with severely delayed processing (more than 1 year) due to agency error to [MS 6790](#) for restoration procedures.

[MS 9010](#), DSNAP Income Limits, is revised to reflect the updated Net Income Limit, Maximum Allotment, Standard Deduction, and Maximum Shelter Deduction for a household of 4.

### Volume IIA

[MS 2750](#), ABAWD Bonus Months, is revised to clarify the qualifying criteria for Bonus Months.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 517  
August 15, 2017

Subject: Various Revisions to Volume IVA

This OMTL outlines revisions in Volume IVA to update and clarify Medicaid (MA) policy and procedures outlined in the following manual sections.

### Volume IVA

The [Table of Contents](#) has been revised to update the titles of certain manual sections and remove all obsolete manual sections.

[MS 1010](#), Adult MA Definitions, has been revised to:

- Change the title to Non-MAGI MA Definitions;
- Add the definition of Modified Adjusted Gross Income (MAGI);
- Clarify definitions as needed; and
- Remove unnecessary definitions.

[MS 1065](#), Co-Pay For Medicaid Recipients, is revised to update the co-payments on prescription drugs, co-payments for services, and specify that a co-payment is not imposed on hearing aids. It is further revised for clarity.

[MS 1235](#), Disclosure of Medicaid Information, is revised for clarity.

[MS 1371](#), Authorized Representative, is revised to incorporate policy that an Authorized Representative (AR) can receive notices and MA cards and to remove references to KAMES and replace with Worker Portal. It is further revised for clarity.

MS 1425, Case Number Assignment, is obsolete as this policy is in reference to KAMES.

[MS 1510](#), Timely Notice of Decrease/Discontinuance, is revised to remove references to KAMES and replace with Worker Portal. It is further revised for clarity.

[MS 1560](#), Enumeration, is revised to incorporate policy about the Federal HUB verifying an individual's social security number (SSN) with the Social Security Administration (SSA) when applying for Non-MAGI MA. It is also revised to incorporate policy from MS 1564 and MS 1566 as those manual sections are obsolete and for clarity.

MS 1564, Failure to Comply with Enumeration, is obsolete as this policy has been added to MS 1560.

MS 1566, Enumeration Good Cause Criteria, is obsolete as this policy has been added to MS 1560.

[MS 1578](#), Time-Limited MA Eligibility, is revised to:

- Change the title to Emergency Time-Limited Medicaid;
- Remove references to KAMES and replace with Worker Portal;
- Add that the delivery of a baby is considered an emergency medical condition; Explain the difference between a chronic and emergency medical condition;
- Clarify that it will not cover long term care (LTC);
- Explain that emergency time-limited may not be issued as Spend Down or KCHIP III; and
- For readability and clarity.

[MS 1579](#), Extension of Time-Limited MA, is revised to change the title to Extension of Emergency Time-Limited Medicaid. It is further revised to update the procedure for requesting an extension of Emergency Time-Limited MA and for formatting and clarity.

[MS 1700](#), Aged, is revised to:

- Change the title to Aged/Blind/Disabled;
- Incorporate blind and disabled policy from MS 1710 and MS 1720;
- Clarify policy regarding field determinations of disability and MRT referrals;
- Remove policy regarding MRT special examination; and
- Incorporate MRT procedures completed on Worker Portal.

MS 1710, Blind, is obsolete as this policy has been added to MS 1700.

MS 1720, Disabled, is obsolete as this policy has been added to MS 1700.

[MS 1810](#), Blind or Disabled Child Living with Parents, is revised for clarity and readability.

[MS 1880](#), Excluded Resources, is revised to:

- Remove reference to form MA-10, Reasonable Effort to Sell Checklist, as the form is no longer required as the questions have been incorporated into Worker Portal;
- Clarify that Worker Portal excludes \$4500 from the total equity value of all non-excluded vehicles;
- Incorporate policy regarding refunds that otherwise Medicaid eligible waiver recipients receive from their provider;
- Incorporate policy regarding excluded STABLE accounts; and
- Clarify existing policy.

[MS 1885](#), Long Term Care Partnership Insurance Program, is revised to update procedures for entry on Worker Portal. It is also revised to remove reference to form PA-22, Resource Assessment, as the resource assessment is now entered on Worker Portal.

[MS 1890](#), Annuities, is revised to update the procedures for requesting review of an annuity. It is further revised for clarity.

[MS 1940](#), Jointly Held Resources, is revised for readability and clarity.

[MS 1960](#), Lifetime Care Agreement, is revised to update the procedures for requesting a review of a lifetime care agreement.

[MS 1990](#), Non-Recurring Lump Sum Income, is revised to clarify that Trusts, other than funeral trusts, are reviewed by the Office of Legal Services (OLS). It is further revised for clarity.

[MS 2030](#), Vehicles, is revised to:

- State that Worker Portal will exclude only one vehicle per person per reason;
- State that Worker Portal excludes \$4500 from the total equity value of all non-excluded vehicles;
- State to enter the verified value of all vehicles on Worker Portal; and
- Clarify existing policy.

[MS 2031](#), Overview of Burial Reserves, is revised to remove references to form MA-36, Burial Designation as this form is no longer required. It is further revised for clarity and readability and to include policy regarding burial funds and cash set aside for burial.

[MS 2033](#), Excluded Burial Items, is revised to change the title to Excluded Burial Spaces and Items and remove reference to form MA-36. It is further revised to incorporate policy that burial spaces can be excluded for immediate family members.

MS 2034, Burial Funds, is obsolete as the policy is incorporated into MS 2031.

MS 2035, Cash Set Aside for Burial Purposes, is obsolete as the policy has been incorporated into MS 2031.

[MS 2055](#), Calculating Life Estate Transfers/Terminations, is revised to:

- Change the title to Life Estate;
- Explain how establishing or relinquishing a life estate affects Medicaid eligibility;
- Clarify that some life estates are inherited and have no value;
- Remove the requirement for DMS to review life estates that have been relinquished or sold; and
- Correct the examples.

[MS 2056](#), Life Estate Table, is revised to correct the Life Estate Table to include both the Life Estate Factor and the Remainder and list those factors appropriately. Previously the Remainder was incorrectly listed on the table as the Life Estate Factor.

[MS 2070](#), Exceptions To Transfer Of Resources, is revised to incorporate procedures for requesting good cause and an undue hardship on Worker Portal. It is further revised for clarity and readability.

[MS 2310](#), Long Term Care Insurance, is revised to remove reference to KAMES and revised for clarity.

Division of Family Support

Operation Manual  
Transmittal Letter No.516  
July 1, 2017

Subject: SAFE and 30/60 Policy Revisions to Volume II

VOLUME II

[MS 3220](#), SAFE allotments, is revised to adjust the allotment amounts for low shelter 1 and 2 person households.

[MS 6400](#), Overview of Application Time Standards, is revised to state that an expedited application must be processed by the 4<sup>th</sup> calendar day.

[MS 6485](#), SNAP Interim Review Processing, is revised to remove the reference to 30/60 policy only applying to the initial FS-2.

[MS 6707](#), Simplified Reporting- Acting on Changes, and [MS 6740](#), Worker Requirements for Acting on All Other Changes, are revised to add that 30/60 policy applies to case change.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 515  
July 1, 2017

Subject: Non-MAGI Active and Passive Renewal

This OMTL is created to incorporate policy regarding the Non-Modified Adjusted Gross Income (MAGI) Medicaid (MA) Passive and Active Renewal Process that is effective 7/1/17. It is further created to incorporate policy regarding the no interview requirement when an individual applies or completes a renewal for MA on the Self-Service Portal (SSP).

### Volume IVA

The [Table of Contents](#) has been revised to change the title of MS 1500 and MS 2180 and to remove MS 1505 and MS 2190.

[MS 1372](#), Non-MAGI MA Application/Interview Process, is revised to incorporate policy that individuals making an application on SSP are not required to complete an interview.

[MS 1500](#), Adult MA Recertifications/Interim Changes, is revised:

- To change the title to Non-MAGI Medicaid Recertifications;
- To incorporate policy regarding the passive/active renewal process;
- To remove form KIP-2Q and KIP-2QA for the Medicare Savings Program as this program will follow the passive/active renewal process and the forms will be obsolete;
- To remove policy regarding recertification appointments on KAMES as this no longer applies;
- To list the types of income and resources that can or cannot be passively renewed; and
- For formatting and clarity.

MS 1505, No Show Recertifications, is obsolete as this policy no longer applies to Medicaid.

[MS 1850](#), Overview of Resources, is revised to incorporate policy regarding the types of resources that no longer have to be verified at recertification as long as no change in that type of resource is reported.

[MS 2180](#), Introduction to Income, is revised:

- To change the title to Overview of Income;
- To incorporate policy regarding the types of income that no longer have to be verified at recertification as long as no change in that type of income is reported;
- To incorporate policy from MS 2190; and
- For formatting and clarity.

MS 2190, Income Limits, is obsolete as this policy has been incorporated into MS 2180.



[MS 4500](#), Medicare Savings Program Case Actions, is revised:

- To remove reference to KAMES and program code "Z";
- To remove that retroactive benefits for Q11 are only available for the federal fiscal year (October 1<sup>st</sup> through September 30<sup>th</sup>) as the program is permanently funded and retroactive coverage can be issued 3 months back;
- To remove the paragraph regarding ex-parte;
- To remove policy regarding Spend Down;
- To incorporate policy regarding the passive/active renewal process; and
- To remove references to forms KIP-2Q and KIP-2QA for the Medicare Savings Program as this program will follow the passive/active renewal process and the forms will be obsoleted.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 514  
April 1, 2017

Subject: Various Revisions to Volume IVB

This OMTL is created to remove references to kynect, APTC, CSR, and QHP that are no longer valid. It is further created to make revisions for clarity.

### Volume IVB

The Table of Contents is revised to remove MS 2170, MS 2660, MS 4320, and MS 4340 and to change the title of MS 1000, MS 4300, and MS 4500.

[MS 1000](#), Insurance Affordability Programs Overview, is renamed MAGI Medicaid Overview. It is revised to remove references to 2016 QHP/APTC coverage and to explain the account transfer process.

[MS 1050](#), MAGI Medicaid Definitions, is revised to remove references that are no longer appropriate since APTC/QHP eligibility determinations and enrollment have moved to the FFM. It is further revised to add definitions for benefind and Worker Portal.

[MS 1200](#), Right to Apply, is revised to remove references to APTC/QHP and the Kentucky Health Benefit Exchange which are no longer valid.

[MS 1212](#), Interview Process, is revised to remove reference to APTC/QHP Processes that are no longer valid.

[MS 1213](#), Who Signs the Application, is revised to remove the references to APTC/QHP.

[MS 1220](#), Entitled Benefits, is revised to remove references to APTC/QHP.

[MS 1250](#), Case File Content, is revised to remove references to APTC/QHP.

[MS 1290](#), Changes, is revised to remove references to kynect. It is further revised to remove requirements to complete form PAFS-126, Change Report Form, when changes are reported and to provide form PA-3, Facts About the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services as Worker Portal issues this form when appropriate.

[MS 1460](#), Timely Notice of Decrease/Discontinuance, is revised to remove references to kynect, QHP, Transitional Medical Assistance (TMA), and Insurance Affordability Programs (IAP). It is further revised for clarity.

[MS 1490](#), Reasons for Negative Action, is revised to remove references to kynect, QHP, APTC, and CSR. It is further revised for clarity.

[MS 1500](#), Fraud, is revised to remove references to APTC/QHP.

[MS 1900](#), Introduction to Managed Care, is revised to change kynect to Worker Portal. It is further revised to change ICF/MR/DD to Intermediate Care Facility for Individuals with an Intellectual Disability (ICF IID).

[MS 2110](#), Enumeration, is revised to remove references to QHP and change IAP to MAGI Medicaid.

[MS 2150](#), Citizenship and Identity Requirements, is revised to remove references to APTC, QHP, and CSR.

[MS 2152](#), Criteria for Qualified Aliens, is revised to remove policy regarding lawful presence requirements for APTC/QHP. It is further revised to change Citizenship and Immigration Services (CIS) to United States Citizenship and Immigration Services (USCIS).

MS 2170, American Indian and Alaska Native (AIAN), is obsolete as Cost Sharing Reduction (CSR) is no longer be determined on Worker Portal.

[MS 2200](#), Residency, is revised to remove references to APTC/QHP.

[MS 2645](#), Private Non-profit Adoptions Overview, is revised to remove references to kynect.

[MS 2650](#), Deemed Eligible Newborns, is revised to remove references to kynect. It is further revised for clarity.

MS 2660, Targeted Low Income Child, is obsoleted as this category is no longer relevant.

[MS 2900](#), MAGI Household Determination, is revised to remove references to IAPs and QHPs.

[MS 2910](#), MAGI Income Scales, is revised to update the federal poverty levels (FPL) for 2017.

[MS 3000](#), Income Eligibility, is revised to remove references to APTC, CSR, and IAPs. It is further revised for clarity.

[MS 3100](#), Income, is revised to remove references to APTC, CSR, and kynect. It is further revised for clarity.

[MS 3150](#), MAGI Income Documentation, is revised to remove references to kynect.

[MS 3160](#), Verification of No Income, is revised to remove references to IAPs and kynect.

[MS 3180](#), MAGI Deductions, is revised to remove reference to kynect.

[MS 4300](#), QHP, is renamed QHP and APTC. It is revised to remove detailed information regarding QHP's and enrollments and to add information to give a high level overview of QHP and APTC.

MS 4320, Advanced Premium Tax Credit, is obsolete.

MS 4340, Cost Sharing Reductions, is obsolete.

[MS 4500](#), MAGI Glossary, is renamed MAGI Acronyms. It is revised to remove references to the Kentucky Health Benefit Exchange (KHBE). It is further revised to change Citizenship and Immigration Services (CIS) to United States Citizenship and Immigration Services (USCIS).

## Division of Family Support

Operation Manual  
Transmittal Letter No. 513  
February 13, 2017

Subject: This OMTL is created to add Types of Assistance (TOA) and the corresponding Federal Poverty Levels (FPL) to Volume IVB and to provide additional policy guidance.

### Volume IVB

[MS 1070](#), Categories of Assistance, is revised to add the Type of Assistance (TOA) abbreviations to the corresponding category. This section has been further revised to remove the 133% FPL for Parent and Caretaker Relatives (PACA) as the income for this category is compared to the current Medicaid (MA) scale and to add guidance for designating an individual as a caretaker relative.

[MS 2910](#), MAGI Income Scales, is revised to add the TOAs to the corresponding type of MA. In addition, the current MA scale for the PACA category has been further revised to include the standard scale as well as the allowed 5% disregard. In addition, information has been added to specify that unborn children are included in Medicaid EDGS.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 512  
February 6, 2017

Subject: Implementation of Eligibility Advisor

This OMTL has been created to incorporate policy regarding Eligibility Advisor (EA), the automatic asset verification service in addition to removing references to KAMES and outdated processes.

### Volume IVA

The Table of Contents is revised to add MS 1971, remove MS 4270, and to change the title of MS 1380.

[MS 1372](#), Non-MAGI Medicaid (MA) Application/Interview Process, is revised:

- To add that applications and/or recertifications may be completed with an authorized representative (AR) with appropriate documentation;
- To remove reference to forms PAFS-18, Liquid Asset Verification, and PA-16, Real Property Verification Request;
- To add EA to systems that should be checked when conducting an interview; and
- For clarity and formatting.

[MS 1380](#), Adult Medicaid Documentation, is revised:

- To change the title to Non-MAGI MA Documentation;
- To incorporate policy that Worker Portal requires case notes for any information that is verified through collateral contact;
- To remove the reference to KAMES and replace with Worker Portal;
- To remove references to the PRO-Cert;
- To remove reference to forms PAFS-18 and PA-16;
- To remove reference to forms MA-33 Supp. A, Checklist for Prearranged Funeral Contract funded by Cash, MA-33 Supp. B, Checklist for Prearranged Funeral Contract funded with Life Insurance, and MA-33 Supp. C, Checklist for Prearranged Funeral Contract funded by a Life Insurance Policy Purchased through the Funeral Home, as these forms are obsolete;
- To remove reference to form MA-10, Reasonable Effort to Sell Checklist, as the form is obsolete;
- To remove reference to form MA-8, QIT Checklist, as the form is obsolete; and
- To remove reference to spot checks and computer matches.

[MS 1470](#), Standard of Promptness, is revised to remove reference to form PAFS-18. It is further revised for clarity.

[MS 1970](#), Liquid Assets, is revised:

- To remove reference to form PAFS-18;
- To remove reference to KAMES and setting up spot checks on KAMES; and
- To incorporate policy that EA is used to check for declared or undeclared resources.

[MS 1971](#), Eligibility Advisor, is created to provide guidance on policy and procedures for the usage of EA.

[MS 1980](#), Non-Home Real Property, is revised:

- To remove reference to forms PA-16, MA-10, and KAMES; and
- To incorporate policy that EA is used to verify property that is owned, purchased, sold, or transferred.

[MS 2010](#), Trusts, is revised:

- To remove reference to form MA-33, DMS Review/Cover Sheet and form PA-16;
- To incorporate policy that trusts are entered on Worker Portal and a task is generated for the Office of Legal Services (OLS) to review; and
- To incorporate policy that once OLS has made a decision and entered the outcome, a task will generate for a worker to take appropriate action.

[MS 2050](#), Transfer of Resources, is revised:

- To remove reference to form PA-16 and KAMES;
- To incorporate policy that EA is used to verify property that is sold or transferred; and
- To remove the requirement for trusts to be forwarded to the Medical Support and Benefits Branch (MSBB) for OLS review.

MS 4270, Pass Through Individual Moving to a Nursing Facility or Institutional Hospice, is obsolete as the information is no longer relevant.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 511  
June 1, 2017

Subject: SNAP Various Revisions Vol. I, II and IIA

### Volume I

The Table of Contents is revised to remove MS 0700, MS 0710, MS 0715, MS 0720, and MS 0750 as they are obsolete.

[MS 0200](#), Contact Tracking System (CTS) Overview, is revised to change the title to Complaint Module on Worker Portal. It is further revised to replace CTS procedures with procedures for the Complaint Module on Worker Portal. User access is updated to include all field staff with user access to Worker Portal and is no longer limited to only Service Region Administrator Associates (SRAA), designated Program Specialist, and Family Support Supervisors (FSS).

MS 0700, Resolving Batch Matches, MS 0710, KAMES Matches; MS 0715, Death Match; MS 0720, Prisoner Match; and MS 0750, State On-Line Query (SOLO) Match Messages are obsolete.

### Volume II

The Table of Contents is revised to remove MS 6104, MS 6105, MS 6107, MS 6130, MS 6135, MS 6140, and MS 6145 as they are obsolete. It is further revised to reflect the title changes of MS 6480 to SNAP Interim Review Overview; MS 6485 to SNAP Interim Review Processing; MS 6490 to SNAP Interim review Verification Requirements; and MS 6710 to Reporting Requirements & Entering Changes for Pending Applications.

[MS 2060](#), Nonhousehold Members, is revised to clarify that household composition must be verified at application, reapplication, recertification, reported change in household composition and/or address, and whenever the information provided by the household is questionable.

[MS 2070](#), Nonhousehold Members As A Separate Household, is revised to add that the relationship of non-members should be thoroughly explored and documented.

[MS 2350](#), Criminals, is revised to add that when a resident of a drug/alcohol treatment center leaves the facility, a notice is generated advising the individual that a disqualification will now apply unless they meet another exemption criteria. It is also revised to add that a notice is generated the month prior to the due date for a pregnant individual advising that, unless another exemption criteria applies, a disqualification will be applied.

[MS 2660](#), Center Responsibilities, is revised to clarify procedures for debiting a participant's EBT account and to state that if a participant leaves the treatment center, the center can be returned to the address on the back of the card or returned to the local office.



[MS 2730](#), is revised to remove references to local office and to add that if a participant passes away, the GLA should return the EBT card to the address on the back of the card.

[MS 2900](#), Alien Status, is revised to include the nationals of "Northern Mariana Islands" as being equivalent to U.S. citizenship and for clarity.

[MS 3050](#), KTAP Sponsored Alien Information, is revised for clarity to state that any reported gross income considered in the KTAP EDG will also be considered in the SNAP EDG as they are in the same case.

[MS 3160](#), Categorical Eligibility, is revised to clarify that ALL household members must be receiving TANF cash benefits or in-kind TANF benefits in order for the household to be considered as categorically eligible.

[MS 3175](#), Verification at Application, is revised to stress that reported resources MUST be entered on the system as they could become a countable resource if the household loses its categorical eligibility.

[MS 3220](#), SAFE Allotments, is revised to correct the two person household benefit when the monthly rent/mortgage expense is \$108 or more per month.

[MS 3500](#), Residency, is revised to clarify that residency must be verified for every household member.

[MS 3600](#), Enumeration Requirements for SNAP, is revised to include special consideration for refugees and parolees without a SSN, and for clarity.

[MS 3620](#), SSN Applications, is revised to include that the nationals of Northern Mariana Islands and Swain's Island do not have to prove legal entry into the U.S. or present proof of citizenship. It is further revised to include that by entering an SS-5 date on the Individual member screen, the system provides the member 165 days to provide the SSN and to include special consideration for refugees and parolees without a SSN. It is also revised for clarity.

[MS 3800](#), Representative Requirements, is revised to change the reference from JP Morgan to Fidelity National Information Services (FIS).

[MS 5000](#), Resources, is revised to clarify that households in which ALL members receive KTAP, Kinship Care, WIN or FAD are considered categorically eligible.

[MS 5210](#), Excluded Income, is revised to state that households with a child who is under 17 years old at application or recertification and has earned income, verify school attendance and accept client statement as verification of earned income in order to exclude the earned income. It is further revised to remove hyphen from 'KTAP' and update Workforce Investment Act (WIA) to the Workforce Investment and Opportunity Act (WIOA).

[MS 5520](#), Special Considerations For Specific Households, is revised to state that the system will calculate the allowable shelter expenses for households with ineligible members.

[MS 5610](#), Month of Application or Recertification, is revised to state that an RFI will generate giving households 20 days to verify out of state benefits. If verification is not returned, the case will process without it.

[MS 6020](#), Caseworker Responsibilities, is revised to include that the worker must ask the client every question on the system. It is also revised to remove the reference to the work number.

MS 6104, Joint Processing Procedure, MS 6105, Processing of PA SNAP Applications, and MS 6107, Changes Between PAFS And NAFS SNAP Cases, are obsolete as these procedures no longer apply.

MS 6130, Web Portal Overview; MS 6135, Web Portal Client Role; MS 6140, Web Portal Case Assigner Role; and MS 6145, Web Portal Case Worker Role, are obsolete.

[MS 6310](#), Types of Interviews, is revised to add that applications can be accepted through the Self Service Portal (SSP).

[MS 6480](#), SNAP 6-Month Review Overview, is revised to change the name from "6-Month" to "Interim" and to update the certification periods. It is also revised to add that 30/60 policy does apply to FS-2 actions.

[MS 6485](#), SNAP 6-Month Review Processing, is revised to change the name from "6-Month" to "Interim", remove "6-month" from "review", and to add that 30/60 policy does apply to FS-2 actions.

[MS 6490](#), SNAP 6-Month Review Verification Requirements, is revised to change the name from "6-Month" to "Interim" and remove "6-month" from "review".

[MS 6600](#), Assigning Certification Periods, is revised to state to assign all households a 12 month certification period except for households in which all members are elderly or disabled and have no earned income. These households are certified for 24 months.

[MS 6710](#), Reporting Requirements for Pending Applications, is revised to change the title to, Reporting Requirements & Entering Changes for Pending Applications. It is also revised to add procedures on how to enter changes on a case that is in pending INTAKE to ensure the correct RFI is generated.

[MS 6765](#), Acting on Change of Address, is revised to include that if a client reports an address change, household composition must be verified whether there is a change or not.

[MS 6770](#), Providing Supplementals, is revised to remove the statement that if the 20<sup>th</sup> falls on a weekend or holiday the client must report the change by the next work day to be eligible for supplemental benefits. It is further revised for clarity.

[MS 7000](#), Required Verification at Application, is revised to state inactivity of a case for more than 90 days deems verification as outdated. It is also revised to update the list of all available programs and system verification sources, and clarify that all are to be inquired for each adult household member. It is further revised to change "KASES" to "Child Support Enforcement (CSE) External Search"; remove the statement about the worker making a 'CC' during the interview if the client doesn't have verification of shelter expenses with them at that time; to clarify that residency is verified for every

household member; disqualifications are not displayed until eligibility has been run on the case; add that school enrollment and attendance must be verified at application, recertification, and member add for a child under 17 years old by a 'CC' in lieu of client statement unless the child has earned income; and for clarity. It is also revised to state that if the household is required to return information, advise them not to wait until the final due date to return their information as this may cause a delay in the receipt of benefits and to state that the Eligibility Advisor (EA) cannot be used to verify identity for SNAP.

[MS 7020](#), Verification of Questionable Information, is revised to add that the EA should be used to verify resources.

[MS 7030](#), Required Verification at Recertification, is revised to update the list of all available programs and system verification sources, and clarify that all are to be inquired for each adult household member. It is further revised to change "KASES" to "Child Support Enforcement (CSE) External Search"; add that school enrollment and attendance must be verified at application, recertification, and member add for a child age 17 and under by a 'CC' in lieu of client statement unless the child has earned income; and for clarity. It is further revised to state if the household is required to return information, advise them not to wait until the final due date to return their information as this may cause a delay in the receipt of benefits.

[MS 7475](#), SNAP Case Documentation, is revised to remove the following from required case documentation: worker initials and caseload code; KAMES alien code; the reason why all of the prior 2 months pay checks weren't used; commenting when an RFI is issued; how deductions were calculated when the household includes an ineligible member; and the reason for completing a system override. It is further revised to include in comments the details of contact made with the Help Desk (i.e. specific error message received and an assigned ticket number), for clarity, formatting, and to replace 'T-member' with 'nonmember'.

## Volume IIA

The Table of Contents is revised to change the title of MS 1100 to Work Registration Overview and to change the title of MS 1650 to Work Registration Exemptions. It is further revised to add MS 2510, Training Site Agreement Procedures.

[MS 1050](#), Frequently Used Terms, is revised to remove KAMES as a term, as the system is no longer in use, change the acronym for Employment and Training Program to E&T, and remove 'WPP', as it is an obsolete term. It is further revised for formatting.

[MS 1100](#), Overview, is revised to change the title to Work Registration Overview, to state that all required members are work registered when the SNAP application is signed, and to remove the process that the member has to register through the Office of Employment and Training.

[MS 1550](#), Work Registration Procedures, is revised to state that all required members are work registered when the SNAP application is signed, and to remove the process that the member has to register through the Office of Employment and Training.

[MS 1650](#), Exemptions, is revised to change the title to Work Registration Exemptions, and to provide a definition for physically or mentally 'unfit' for work and add examples. It is further revised for formatting.

[MS 2250](#), Components, is revised to include that DCBS doesn't pay for background checks on WEP participants.

[MS 2350](#), Changes in ABAWD Status, is revised to clarify that only a Field Services Supervisor or an E&T worker can manually correct a tracking code.

[MS 2500](#), Procedures for Non-Exempt ABAWD, is revised for clarity and to include that the FSET-145, Employment and Training Program Activity Report, has to be turned in and entered on the system by the 3<sup>rd</sup> of the following month or the system will initiate conciliation.

[MS 2510](#), Training Site Agreement Procedures, is created to provide information on form KWET-241, Work Experience Program (WEP) Training Site Agreement, and state that a copy of this form must be in ECF for each WEP placement.

[MS 2550](#), Good Cause Determination, is revised to clarify good cause.

[MS 3900](#), Curing Disqualifications, is revised to change "ETP" to "E&T", update the procedures for processing an application when the client has served an E&T disqualification and wants to apply, and for formatting.

[MS 4450](#), Imposing Work-Related Disqualification, is revised to change the MS link to VOL I, MS 0490 to reference the correct procedure when a household requests benefits to continue while awaiting a hearing and for clarity.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 510  
December 1, 2016

Subject: Miscellaneous Revisions to Volume I for Claims Management Section

### Volume I

[Table of Contents](#) is revised to include MS 1025 in the contents, as it was previously omitted.

[MS 0510](#), Recommended Order, is revised to include the requirement of field staff to provide an explanation of why no exception was requested to be filed on the SNAP Recommended Order. It is further revised for clarity and formatting.

[MS 0730](#), Electronic Disqualified Recipient Subsystem (eDRS), is revised to clarify that staff in the Division of Family Support who are working from the Program Integrity queue receive eDRS tasks. It is further revised to include steps taken to work those tasks and for formatting.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to remove "example 1" from part B. The dollar amount for a trafficking referral is changed from \$3000 to \$7500 and individual trafficking is not referred to OIG. It is revised to remove code references from KCD and to include functions for Worker Portal. It is further revised for clarity and formatting.

[MS 1025](#), SNAP Electronic Benefit Transfer (EBT) Misuse, is revised to correct the example given for EBT misuse on a credit account and to direct claims workers to pursue an IPV. It is further revised for clarity.

[MS 1050](#), How to Process and Intentional Program Violation Claim, is revised to clarify that a referral to OIG is for claims with an anticipated amount of over \$3000 except for individual trafficking claims.

[MS 1070](#), Administrative Disqualification Hearings, is revised to direct workers to send all evidence to be presented at a hearing along with the FS-80, and Notice of Suspected Intentional Program Violation that is sent to the household via email to [SNAPHearings@ky.gov](mailto:SNAPHearings@ky.gov) and to the Claims Management Section at [CHFS.DFS.Claims@ky.gov](mailto:CHFS.DFS.Claims@ky.gov). It is further revised for clarity and formatting.

[MS 1150](#), Treasury Offset Program, is revised to reflect the change that a total of 120 days must elapse from the delinquent date before a claim can be submitted to TOP.

Subject: Revisions to Volume IVB Related to the State Based Marketplace Transition to the Federally Facilitated Marketplace (FFM).

### Volume IVB

The Table of Contents is revised to add MS 4310 and remove MS 4360.

[MS 1000](#), Insurance Affordability Programs (IAPs) Overview, is revised to reflect that Advanced Premium Tax Credit (APTC) and Qualified Health Plan(QHP) eligibility will be determined by the Federally Facilitated Marketplace for the 2017 coverage year and ongoing. It is further revised to remove references to Kentucky Health Benefit Exchange (KHBE), kynect, and KAMES.

[MS 1050](#), Modified Adjusted Gross Income (MAGI) Medicaid Definitions, is revised to add the following definitions: Account Transfer; Application Assister; Assessed; Federally Facilitated Marketplace (FFM); and Mixed Household. This section has also been revised to remove the definitions for kynectors and Navigators. The following definitions have been updated: Advanced Premium Tax Credit (APTC); Certified Application Counselors (CAC); Cost Sharing Reductions (CSR); Eligibility Determination Group (EDG); Enrollee; Insurance Affordability Programs (IAPs); Kentucky Health Benefit Exchange (KHBE); Qualified Health Plan (QHP); Qualified individual; Self Service Portal (SSP); and Worker Portal.

[MS 4300](#), Qualified Health Plan (QHP), is revised to provide updated information regarding the 2016 and the 2017 coverage years and the FFM.

[MS 4310](#), Account Transfers, is created to provide information regarding the FFM.

[MS 4320](#), Advance Premium Tax Credit (APTC), is revised to provide updated information regarding the 2016 and the 2017 coverage years and the FFM.

[MS 4340](#), Cost Sharing Reductions (CSR), is revised to provide updated information regarding the 2016 and the 2017 coverage year and the FFM.

MS 4360, Renewals for Qualified Health Plans (QHPs), Advanced Premium Tax Credit (APTC), and Cost Sharing Reductions (CSR), is obsoleted as beginning 2017 renewals for these programs will not be completed in Worker Portal.

Subject: Annual Cost-of-Living Changes for Utility and Income Standards, Shelter Deductions

Volume II

[MS 5200](#), Income Eligibility Scale, is revised to reflect the annual COLA changes to the maximum and net income limits. The example in item 4 is also revised to reflect income changes.

[MS 5400](#), Deductions, - General, is revised to reflect the annual COLA changes to the standard deduction for all households.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated SUA deduction.

[MS 5498](#), Non-Heating and Non-Cooling Costs/ Basic Utility Allowance, is revised to reflect the updated BUA deduction.

[MS 5800](#), Calculations of Allotment, is revised to reflect the annual COLA change to the Maximum Shelter Deduction.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 507  
March 1, 2016

Subject: Revisions to Incorporate Worker Portal and Business Redesign

### Volume IIIA

The [Table of Contents](#) is revised to change the name of MS 4100 to System Interactions and delete MS 4120, KWP Spot Checks on KAMES.

[MS 4000](#), Kentucky Works Program, is revised to clarify a statement on child care.

[MS 4005](#), KWP Participation Requirements, is revised to remove the KAMES coding and change "W" reference to "UP" for unemployed parent KTAP cases.

[MS 4100](#), System Interactions, is revised to change the title to Systems Interactions and to clarify the process of information sent from Worker Portal to OTIS.

MS 4120, KWP Spot Checks on KAMES, is obsolete.

[MS 4200](#), Educational Component for Teen Parents, is revised to remove the references to KAMES coding for child or adult, and replace it with teen parent who is head of household. The teen parent who is the head of household is considered an adult.

[MS 4210](#), Vocational Educational Training, is revised to state that hours spent in work study programs are considered countable hours of employment and that the hours and income are entered on Worker Portal.

[MS 4215](#), Short-Term Training, is revised to clarify the case manager's duties regarding when approving a short-term training. It is also revised to change the name of form PA-33 to form KW-33 Verification of Kentucky Works Program Participation.

[MS 4217](#), Coding Vocational Educational Training, is revised to remove the references to KAMES codes and change the reference from "W" to "UP" for unemployed parent KTAP cases.

[MS 4230](#), Community Service, is revised to change "W" reference to "UP" for unemployed parent KTAP cases and "C" to KTAP cases.

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to change "W" reference to "UP" for unemployed parent KTAP cases and "C" to KTAP cases. It is also revised to change the name of form PA-33 to KW-33.

[MS 4250](#), Employment, is revised to remove the need to calculate the countable hours of self-employment as this will be done by the system based on the earnings information entered on Worker Portal. It is further revised to state the type of income for work study, WIOA, and RTW income is chosen on Worker Portal to be excluded.

[MS 4270](#), Work Experience Program (WEP), is revised to change "W" reference to "UP" for Unemployed Parent cases and "C" reference to KTAP cases. It is also revised to change the name of form PA-33 to KW-33.



[MS 4300](#), Accident Insurance for Work Experience and Community Service Placements, is revised to remove reference to KAMES and replace it with Worker Portal. It is also revised to remove reference to form PAFS-2, which is obsolete, and state a manual correspondence is issued on Worker Portal.

[MS 4355](#), Domestic Violence Counseling, is revised to change the name of form PA-33 to KW-33.

[MS 4365](#), Substance Abuse Treatment, is revised to remove reference to OWL/SEEC as they are no longer contractors with DCBS. It is also revised to change reference of PA-33 to KW-33.

[MS 4370](#), Mental Health Counseling, is revised to change the name of form PA-33 to KW-33.

[MS 4373](#), Targeted Assessment Program (TAP), is revised to change the name of form PA-33 to KW-33.

[MS 4375](#), Vocational Rehabilitation, is revised to change the name of form PA-33 to KW-33 and to remove reference to KAMES.

[MS 4410](#), Staff Roles and Responsibilities, is revised to remove reference to KAMES and change to Worker Portal.

[MS 4500](#), General Health Assessment, is revised to change form PA-219 to KW-219, Kentucky Works Program Fact Sheet.

[MS 4505](#), Mental Health Assessment, is revised to change form PA-219 to KW-219, Kentucky Works Program Fact Sheet and to remove reference to OWL/SEEC. It is also revised to state a referral to the Medical Review Team (MRT) is made when a recommendation for determination of disability is appropriate.

[MS 4510](#), Learning Needs Assessment, is revised to change form PA-219, Kentucky Works Assessment Process, to form KW-219, Kentucky Works Program Fact Sheet.

[MS 4515](#), Addressing Challenges to KWP Participation, is renamed. It is also revised to clarify that the Transitional Assistance Agreement (TAA) is completed at application.

[MS 4520](#), KTAP Transitional Assistance Agreement, is revised to remove reference to KAMES and change the name of form PA-33 to KW-33.

[MS 4600](#), Options for KWP Activities, is revised to change form KW-105, KWP Referral Form, to KW-104, KWP Referral and form PAFS-5.1 to PA-5.1, Report or Referral to the District Social Security Office. It is further revised to remove reference to OWL/SEEC.

[MS 4650](#), Monitoring and Tracking Participation, is revised to replace the references to KAMES coding for a teen parent who is considered an adult with teen parent who is head of household and change the name of form PA-33 to KW-33. Also, the school attendance report will be returned to the Centralized Mail Center.

[MS 4652](#), KWP Participation Monitoring and Tracking Process, is revised to change the name of form PA-33 to KW-33.

[MS 4655](#), Verification of Participation, is revised to change the name of form PA-33 to KW-33 and to change component OTH to MHA.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to change the name of form PA-33 to KW-33.

[MS 4700](#), Conciliation Process, is revised to change the name of form PA-33 to KW-33 and to clarify issuance of form KW-204, Conciliation Notice. It is also revised to remove reference to KAMES.

[MS 4720](#), Sanction Exceptions and Good Cause, is revised to remove the KAMES codes for the good cause reasons.

[MS 4750](#), Applying the KWP Sanction, is revised to remove reference to KAMES coding and change the name of form PA-33 to KW-33.

[MS 4770](#), Curing the KWP Sanction in Active KTAP Cases, is revised to remove KAMES procedures and replace with Worker Porter procedures.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to remove reference to KAMES and exemption codes.

[MS 4790](#), Resolving Erroneous Sanctions, is revised to remove reference to KAMES and replace with Worker Portal.

[MS 4800](#), Unemployed Parent (UP) Participation, is revised to change reference to "W" cases to "UP" cases and to remove KAMES references and replace with Worker Portal.

[MS 5270](#), Approval for CCAP, is revised to remove reference to KAMES and replace with Worker Portal.

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised to state an EBT card for a second individual is automatically created by the system.

[MS 5350](#), Overview of Supportive Services, is revised to change form PA-32 to KW-32, Authorization for Supportive Services Payments.

[MS 5355](#), Supportive Services Items Subject to \$400 Limit, is revised to state that an estimate is required when an individual requests assistance with an interview outfit or uniforms/clothing for employment. In addition, the need for the uniform or clothing needed to meet the employer's dress code must be verified by the employer.

[MS 5375](#), Car Repairs and Expenses, is revised to change form PA-32 to KW-32 and form PA-34 to KW-34, Car Repair Estimate Verification.

[MS 5380](#), Remedial Health Goods/Services, is revised to change form PA-32 to KW-32.

[MS 5385](#), Authorization and Issuance, is revised to include estimates are required when an individual requests assistance with interview outfits and uniforms. Also, procedures for the cancellation of form KW-32 are added.

[MS 5390](#), RN and LPN Licensing Authorization, is revised to change the name of form PA-32 to KW-32.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 505  
August 1, 2016

Subject: Fleeing Felon Verification Procedures and Trafficking Information

### Volume I

[MS 1020](#), Trafficking and Retailer Fraud, has been revised to remove references to the unclear information question and the \$3000.00 threshold for OIG referrals. It is further revised to change JP Morgan to Fidelity Information Services (FIS) and for formatting.

### Volume II

[MS 2350](#), Fleeing Felons, is revised to state that when there is an outstanding felony warrant for the individual by a Federal, State, or local law enforcement agency and the underlying cause for the warrant is for committing or attempting to commit a crime that is a felony under the law of the place from which the individual is fleeing or a high misdemeanor under the law of New Jersey, all four parts of the four-part test must be met to establish the person is a fleeing felon when an individual admits or it is discovered that he/she is a fleeing felon. It is further revised to clarify that a notification of fleeing felon will be issued from the Division of Family Support and not the Claims Management Section, to remove reference to a spot check, and for formatting.

[MS 6737](#), Worker Requirement For Acting on Changes in Fleeing Felon Status, is revised to state to that when a fleeing felon status change is reported, see MS 2350 to determine if a disqualification is imposed.

Subject: Vol. I Revisions Due to Conversion to Worker Portal and Other Changes

Volume I

General Administration, [Table of Contents](#), retitles MS 0820 from Kentucky Claims Debt Management System to Benefit Management and retitles MS 0830 to include a reference to Regional Claims Workers for who has responsibilities for claims.

[MS 0280](#), Local Office Responsibilities, is revised to change all reference from KAMES to Worker Portal and to remove reference to the EBT-2 and EBT-5. The EBT-2 and the EBT-5 are now obsolete.

[MS 0290](#), Security of EBT Cards, is revised to state the cards will be sent to local office, logged in the system as received, checked as provided to the client when they come pick up, requesting a new card or destruction of card. This information is logged into the Worker Portal, also capture the identity and signature of the client when picking up the card by signing the EBT-29 Affidavit of EBT Card Receipt. The EBT-2 and EBT-5 will be obsolete.

[MS 0450](#), The Hearing Process, is revised to state that all hearing requests are now requested through the Worker Portal.

[MS 0460](#), The Hearing Request, is revised to state that all hearing requests are now requested through the Worker Portal.

[MS 0465](#), Hearing Requests Involving Medical Review Team Determinations, is revised to state that all hearing requests are now requested through the Worker Portal.

[MS 0470](#), Medicaid Hearing Request Due To The Loss of SSI, is revised to state that all hearing requests are now requested through the Worker Portal.

[MS 0475](#), Hearing Time Frames, is revised to state that all hearing requests are now requested through the Worker Portal.

[MS 0480](#), Scheduling The Hearing, is revised to state that all hearings information is now through the Worker Portal.

[MS 0485](#), Program Participation Pending the Hearing – IM Programs, is revised, to state that all hearing requests are now requested through the Worker Portal.

[MS 0495](#), Denial/Dismissal of Hearing Request, is revised to state that all hearing withdrawals are now requested through the Worker Portal.

[MS 0500](#), Conduct of the Hearing, is revised to include comments from Worker Portal as part of the evidence.

[MS 0510](#), Recommended Order, is revised stating that Central Office Staff will no longer receive notification of the Recommended Order and Final Order. Field Staff

will be responsible for reviewing the RO's to determine if an exception is required. If an exception is required, follow hearing procedure process for Administrative Disqualification Hearing (ADH) through the Worker Portal.

[MS 0730](#), Electronic Disqualified Recipient Subsystem (eDRS), is revised to remove the reference to KAMES and to update the language to include Worker Portal.

[MS 0800](#), How To Prevent a Claim, is revised to remove reference to "Spot Checks". It is further revised to update that Workers should conduct more thorough interviews.

[MS 0810](#), How to Identify a Claim, is revised to remove references to KAMES and to further clarify what is considered excessive EBT card replacements.

[MS 0820](#), Kentucky Claims Debt (KCD) Management System, is revised to remove the reference to KCD and to explain that claims will now be managed on the Worker Portal via the Benefit Management tab.

[MS 0830](#), Field Staff Responsibilities for Claims, is revised to include Regional Claims Workers (RCW). It includes the responsibilities and actions to be taken by both field staff and RCWs relative to referring and processing claims using the Worker Portal. It is further revised to remove references to KAMES.

[MS 0840](#), Claims Management Section Information and Responsibilities, has been revised to correct the Claims Management Section (CMS) phone number and to remove all references to KCD and update language to the Worker Portal. The email has been updated in CAPS. Reference to Disqualified Recipient Subsystem has been updated to eDRS.

[MS 0850](#), Electronic Claims Files, has been revised to remove references to KCD. It was further revised to note that the PAFS-431, Claim Referral, is only used for claims entered on KCD prior to the Worker Portal. It is also updated to include claim comments are maintained on the Worker Portal.

[MS 0860](#), Time Frames For Establishing A Claim, has been revised to remove mention of the Pending and Past due claims reports located on RDS/Document Direct. The reports can now be accessed via the SNAP Worker Portal.

[MS 0870](#), General Procedures For All Claims, has been revised to include language and processes relative to Automatic and Manual Claims. When applications or changes are entered on the Worker Portal, if an overpayment is detected, the Worker Portal will generate an Automatic claim to be processed by the RCW. All references to KCD have been removed. It is further revised to remove references to the PAFS-431 in the process of referring claims; this form will be obsoleted and will not be used for Worker Portal claims. It is further revised to update procedures for appointment scheduling.

[MS 0880](#), General Procedures For a Suspected Fraud Claim, has been revised to remove reference to KCD. Voluntary has been updated to voluntarily for returning the signed FS 80, Supp. A.

[MS 0890](#), How to Determine the First Month of a Claim, has been revised to remove reference to KAMES.

[MS 0910](#), Referral of Claims to the Office of the Inspector General, is revised to remove references to KCD and SharePoint. It is further revised to remove reference to the PAFS-88; OIG referrals will be completed on the Worker Portal; the process has been included. It is further revised to update SNAP trafficking procedures.

[MS 0920](#), Fraud "Hotline" Referrals, has been revised to remove all references to KAMES and the PAFS-431. These have been replaced with Worker Portal and Overpayment Discrepancies screen, respectively. It has been further revised to remove reference to SNAP trafficking hotline referrals over \$3000.00 and to pursue all SNAP trafficking hotline referrals administratively.

[MS 0930](#), Employee Fraud, has been revised to remove reference to KCD.

[MS 0940](#), Who Must Pay A Claim, has been revised to remove reference to KCD and KAMES.

[MS 0950](#), Claim Repayment Methods, has been revised to remove references to KCD and KAMES. The email address has also been updated in CAPS.

[MS 0960](#), Collecting Payments on Claims, has been revised to remove references to KCD. The email address has been updated in CAPS. The CMS phone number has been corrected.

[MS 0970](#), When a Claim Is Overpaid, has been revised to remove reference to KCD.

[MS 1000](#), Categories of Supplemental Nutrition Assistance Program (SNAP) Claims, has been revised to remove references to KCD.

[MS 1005](#), No Claim Determination, has been revised to remove references to KCD. It is further revised to state that trafficking claims under the \$125 amount are NOT to be changed to "No Claim".

[MS 1010](#), Procedures for Specific Households, has been revised to remove references to KAMES.

[MS 1015](#), Drug/Alcohol Abuse Treatment Center Claims, has been revised to remove references to KAMES and KCD.

[MS 1020](#), Trafficking and Retailer Fraud, has been revised to remove references to KCD and KAMES. It has been further revised to remove reference to SNAP trafficking hotline referrals over \$3000.00 and to pursue all SNAP trafficking hotline referrals administratively.

[MS 1030](#), How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim, has been revised to remove references to KCD and KAMES.

[MS 1040](#), Joint Non-Fraud and Fraud Claims, has been revised to remove references to KCD and KAMES.

[MS 1050](#), How To Process An Intentional Program Violation Claim, has been revised to remove references to KCD and KAMES. It is further revised to include processes for entering the IPV disqualification onto the Worker Portal.

[MS 1060](#), Criteria for Pursuing an Intentional Program Violation Claim, has been revised to remove references to KAMES. It now includes the information about the interfacing relationship between SNAP Worker Portal and eDRS.

[MS 1070](#), Administrative Disqualification Hearings, is revised to describe the procedure for referring forms and evidence to the Division of Administrative Hearings (DAH) at [SNAPHearings@ky.gov](mailto:SNAPHearings@ky.gov). It is further revised to give direction on what evidence is to be listed on the FS-79; to provide the new inbox address for DAH; and to update the procedures for referring a hearing request through the Worker Portal and preparing for a hearing. It is also revised to state that Regional contacts are in place to assist in ensuring hearings are attended by staff as well as monitoring hearing activity and results; DAH will send information concerning the hearing process to the Worker Portal; describes the process for referring an individual for whom a case does not exist on the Worker Portal, and for formatting.

[MS 1100](#), Local Office Procedures for Acting on Administrative Disqualification Hearing Final Order, has been revised to remove references to KAMES and KCD. It has been further revised to include language pertaining to maintenance of claims electronic case files.

[MS 1110](#), Intentional Program Violation Disqualification Penalties, has been revised to remove references to KAMES, add procedures to enter the dates of the IPV, and disqualification numbers associated with IPV claims.

[MS 1120](#), Deferred Adjudication of Intentional Program Violation Claims, has been revised to remove reference to KAMES.

[MS 1150](#), Treasury Offset Program, has been revised to remove references to KCD and for formatting.

[MS 1200](#), Cash Assistance and Other Related Program Claims, has been revised to remove references to KCD.

[MS 1210](#), How to Calculate A Cash Assistance and other Related Program Claims, has been revised to remove references to KCD.

[MS 1230](#), Retained Child Support, has been revised to remove the hyphen from KTAP, to removes reference to KCD, and for formatting.

[MS 1240](#), Medical Assistance Claims, has been revised to remove references to KAMES and KCD.



Subject: 2016 Spousal Impoverishment Standards

This OMTL is created to incorporate the new Community Spouse Minimum Income Allowance, Community Spouse Minimum Shelter Allowance, and Family Member Income Allowance that increased effective July 1, 2016. It is also created to update the new poverty level income limits.

Volume IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the following standards effective 7/1/16:

- Community Spouse Minimum Income Allowance increased to \$2003;
- Community Spouse Minimum Shelter Allowance increased to \$601; and
- Family Member Income Allowance Standard increased to \$2003.

[MS 3550](#), LTC Individual with Community Spouse, is revised to replace KAMES with Worker Portal. It is also revised to add that the LTC Income Statement Screen is completed as Part II of form, PA-1A, Supp C, Institutionalized Spouse Resource and Income Statement, has been integrated into Worker Portal. It is further revised to change the following standards effective 7/1/16:

- Community Spouse Minimum Income Allowance increased to \$2003;
- Community Spouse Minimum Shelter Allowance increased to \$601; and
- Family Member Income Allowance Standard increased to \$2003.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to update the federal poverty level (FPL) income limits.

[MS 4330](#), Financial Eligibility, is revised update the new income limits for Qualified Disabled Working Individuals (QDWI).

[MS 4455](#), Income Limits for Medicare Savings Plan, is revised to update the income limits for 2016.

Division of Family Support

Operation Manual  
Transmittal Letter No. 502  
May 25, 2016

Subject: CIS Income in SNAP

Volume II

[MS 5210](#), Excluded Income, is revised to clarify that Community Integrated Services (CIS), a type of State Supplementation, is countable, as it is not a reimbursement.

[MS 5220](#), Countable Income, is revised to add that Community Integrated Services (CIS), a type of State Supplementation, is countable, as it is not a reimbursement.

[MS 5500](#), Treatment of Utility Expenses, is revised to correct the telephone standard to \$36.

Subject: Release 5 Changes for KTAP, FAD, and Kinship Care

General changes are to remove the hyphen from KTAP, references to KAMES, and to add Worker Portal information.

### Volume III

The Table of Contents is revised to remove the following obsolete manual sections: MS 2105, MS 2115, MS 2122, MS 2125, MS 2135, MS 2140, MS 2145, MS 2150, MS 2170, MS 2203, MS 2209, MS 2270, MS 2389, MS 2715, MS 3760, and MS 3790.

The Table of Contents is also revised with new names of the following sections: MS 2005, MS 2155, MS 2158, MS 2159, MS 2175, MS 2206, MS 2210, MS 2220, MS 2260, MS 2275, MS 2290, MS 2310, MS 2326, MS 2400, MS 2450, MS 2610, MS 3010, MS 3750, MS 3770, and MS 3850.

[MS 2001](#), KTAP 60-Month Lifetime Limit, is revised for clarity, to remove KAMES references, and add Worker Portal Information.

[MS 2003](#), Extension of 60-Month Lifetime Limit, is revised for clarity and to remove KAMES references.

[MS 2005](#), KTAP Tracking, is revised for clarity, to remove KAMES references, and add Worker Portal Information.

[MS 2010](#), KWP Full Family Sanction, is revised to change the reference from "W" case to Unemployed Parent (UP) case, to remove KAMES information, and add Worker Portal information.

[MS 2015](#), Full Family Sanction at Reapplication, is revised for clarity, to remove KAMES references, and add Worker Portal Information.

[MS 2025](#), Safety Net, is revised for clarity, to remove KAMES references, and to add Worker Portal Information.

[MS 2040](#), Disclosure of Information for TANF Programs, is revised for clarity.

[MS 2100](#), Making an Application, is revised for clarity, to remove form PA-97 procedures, and to incorporate that individuals can apply in person, by phone, or online.

MS 2105, Joint Processing of KTAP and SNAP Cases, is obsolete.

[MS 2110](#), Standard of Promptness, is revised to remove KAMES references.

MS 2115, Good Cause Codes for Untimely Case Processing, is obsolete.

[MS 2120](#), KTAP Application/Recertification Interviews, is revised to remove KAMES references.

MS 2122, Scheduling Appointments on KAMES, is obsolete.

MS 2125, Content of the Assessment, is obsolete as this information was incorporated into MS 2130, KWP Assessment.

[MS 2130](#), KWP Assessment, is revised to incorporate information from MS 2125, MS 2135, MS 2140, and MS 2145.

MS 2135, Employment Assessment, is obsolete as this information was incorporated into MS 2130, KWP Assessment.

MS 2140, Education Assessment, is obsolete as this information was incorporated into MS 2130, KWP Assessment.

MS 2145, Barriers Assessment, is obsolete as this information was incorporated into [MS 2130](#), KWP Assessment.

MS 2150, Recertification Periods, is obsolete.

[MS 2155](#), Signing Application/Recertification Forms, is renamed "Signing Application Forms", and is revised for clarity, to remove KAMES references, and to add Worker Portal Information.

[MS 2158](#), Electronic Case File, is revised to state that applications signed by voice or electronic signature are not scanned to ECF, and to change form PA-32 to KW-32, PA-33 to KW-33, and PA-34 to KW-34.

[MS 2159](#), Case Notes, is revised to change the title from "Documentation" to "Case Notes" and for clarity.

[MS 2160](#), Case Action on Applications, is revised to remove KAMES references.

[MS 2165](#), Reinstatement of KTAP Benefits, is revised for clarity, to remove KAMES references, and add Worker Portal Information.

MS 2170, Request for a Member Add, is obsolete.

[MS 2175](#), Processing Renewals and Changes, is revised to remove KAMES references, and to add Worker Portal references.

[MS 2180](#), Supplemental Payments, is revised for clarity, to remove KAMES and KCD references, and to remove the process of emailing Central Office Claims Management before issuance of a supplement when the individual has a claim.

[MS 2185](#), KTAP and Kinship Care Underpayments, is revised for clarity and to add Worker Portal information.

[MS 2190](#), Notification Requirements, is revised to removed KAMES references and add Worker Portal information.

[MS 2195](#), Return of TANF Benefits, is revised to add information about return of FAD benefits, to remove KAMES references, and to add Worker Portal Information.

[MS 2198](#), Direct Deposit, is revised to remove KAMES references, and to add Worker Portal references.

[MS 2200](#), Family Alternatives Diversion, is revised for clarity and to add information about the determination of FAD eligibility from MS 2203 on Worker Portal.

MS 2203, FAD Eligibility Determination, is obsolete and the information is incorporated into [MS 2200](#).

[MS 2206](#), FAD Payment Need Types, is renamed "FAD Short-Term Needs" and is revised to remove the payment codes and to include information from MS 2203.

[MS 2208](#), FAD Payments, is revised to remove the FAD Interface/Link instructions and add the FAD payment instructions for Worker Portal.

MS 2209, FAD Payment Adjustments, is obsolete.

[MS 2210](#), Technical Eligibility Requirements, is revised for clarity and to remove KAMES references.

[MS 2215](#), Technically Excluded Individuals, is revised for clarity and to remove KAMES references.

[MS 2217](#), Strikers, is revised for clarity and to remove KAMES references.

[MS 2220](#), Eligibility Related Sanctions, is renamed Eligibility Related Disqualifications, and revised for clarity.

[MS 2225](#), Penalized Individuals, is revised for clarity and to remove KAMES references.

[MS 2230](#), Standard Filing Unit, is revised for clarity.

[MS 2250](#), Family with Minor Parent, is revised to remove references to KAMES.

[MS 2260](#), Married Minors, is revised for clarity, to change the title from Married Minor Teens to Married Minors, and to remove KAMES references.

MS 2270, Adopted Child, is obsolete as this information is included in MS 2328, Relationship.

[MS 2275](#), Subsidized Adoption, is revised for clarity and to remove KAMES references.

[MS 2280](#), Foster Care Child, is revised for clarity.

[MS 2285](#), Citizenship Requirements, is revised to remove KAMES references.

[MS 2290](#), Verification of Identity, is revised for clarity and to state that identity can be verified with an expired document if the document clearly establishes identity of the individual.

[MS 2300](#), Criteria for Qualified Aliens, is revised to remove the hyphen in KTAP and formatting.

[MS 2306](#), Categorical Limitations, is revised to remove references to Medicaid.

[MS 2310](#), Age Requirements, is revised to change the title from Age to Age Requirements and for clarity.

[MS 2316](#), School Attendance Requirement, is revised to remove references to KAMES.

[MS 2318](#), School Attendance Verification, is revised to remove references to KAMES and for clarity.

[MS 2321](#), Work Registration, is revised to explain the work registration requirement in regard to the new interface between Worker Portal and the Office of Training and Employment (OET).

[MS 2322](#), KWP Work Eligible Individuals, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 2324](#), KWP Exemption Criteria, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 2326](#), Minor Teen Parents, is revised to change the title to Minor Parents and to remove references to KAMES. It is further revised to clarify the process when the minor parent is not living in an adult supervised setting.

[MS 2328](#), Relationship, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 2329](#), Verification of Relationship, is revised to remove references to KAMES and reworded for clarity.

[MS 2330](#), Administrative Establishment of Paternity, is revised to remove references to Medicaid and for clarity.

[MS 2331](#), Common Law Marriages, is revised to update the states that currently recognize as well as the states that no longer recognize common law marriages.

[MS 2332](#), Enumeration, is revised to remove KAMES references and add Worker Portal information.

[MS 2334](#), Residency, is revised to remove the other state's contact information as it is no longer valid. The section is also reworded for clarity.

[MS 2344](#), Death, is revised to remove KAMES references.

[MS 2338](#), Temporary Absence, is revised to remove KAMES coding and to clarify the material.

[MS 2340](#), Deprivation and Joint Custody, is revised to remove the reference to KAMES and to reword for clarity.

[MS 2344](#), Death, is revised to remove the reference to KAMES and to add Worker Portal instructions.

[MS 2346](#), Incarceration, is revised to clarify how incarceration is entered in Worker Portal.

[MS 2348](#), Hospitalization, is revised to clarify when hospitalization is used and when incapacity is used as the deprivation factor.

[MS 2350](#), Deportation, is revised to clarify the verification that can be accepted.

[MS 2352](#), Single Parent Adoption, is revised to clarify how single parent adoption is verified.

[MS 2355](#), Divorce, is revised for clarity.

[MS 2357](#), Legal Separation, is revised for clarity.

[MS 2359](#), Marriage Annulment, is revised to clarify children of an annulled marriage are considered born in lawful wedlock.

[MS 2361](#), Desertion, is revised to remove reference to "W" category. It is also further revised for clarity.

[MS 2365](#), Birth out of Wedlock, is revised to clarify circumstances when it would be appropriate to use this deprivation when the mother is married at the time of the child's birth.

[MS 2367](#), Verification of Voluntary Absence, is revised to list the types of voluntary absence that require only one source of verification.

[MS 2375](#), Referral for Child Support Enforcement, is revised to remove reference to medical support enforcement.

[MS 2377](#), Incapacity, is revised to remove KAMES references.

[MS 2379](#), Incapacity Determinations, is revised to clarify the MRT process.

[MS 2381](#), Incapacity Field Determination, is revised to remove reference to KAMES coding and to clarify the MRT process.

[MS 2383](#), Medical Review Team (MRT) Determinations, is revised to incorporate the process when MRT requests a special examination.

MS 2389, Special Examinations for Incapacity Determinations, is obsolete as this information was incorporated into MS 2383, Medical Review Team (MRT) Determinations.

[MS 2393](#), Redetermination of Incapacity, is revised to remove KAMES references and for clarity.

[MS 2400](#), Resources – General Information, is renamed “Resources” and reworded for clarity.

[MS 2410](#), Excluded Resources, is revised to change the reference from “WIA” income to “WIOA” and is reformatted for clarity.

[MS 2420](#), Countable Resources, is revised for clarity.

[MS 2425](#), Individual Development Accounts, is revised for clarity.

[MS 2450](#), Jointly Held Liquid Resources, is renamed “Jointly Owned Liquid Resources” and revised for clarity.

[MS 2490](#), Transferred Liquid Resources, is revised for clarity.

[MS 2500](#), Income – General Information, is revised to remove references to KAMES and the calculation code table.

[MS 2505](#), Sponsor Income, is revised for formatting.

[MS 2510](#), Excluded Income, is revised for clarity and to add that ORR differential payments from a Wilson Fish application for any refugee household receiving KTAP, who arrived in the US on or after October 1, 2015 are considered excluded income for KTAP. The refugee household may continue to receive the payment for their first 8 months after arrival.

[MS 2512](#), Excluded Student Income, is revised for clarity and to add that earned income of all teens attending school is excluded.

[MS 2520](#), Two Month Earned Income Exclusion, is revised to remove references to KAMES and reworded for clarity.

[MS 2605](#), Statutory Benefits, is revised for clarity and to remove system entry instructions.

[MS 2610](#), Child Support and/or Spousal Support, is revised for clarity.

[MS 2615](#), Contributions, is revised to remove the reference to KAMES coding.

[MS 2625](#), Test Budget Income, is revised for clarity.

[MS 2630](#), Nonrecurring Lump Sum Income, is revised for clarity.

[MS 2700](#), Introduction to Earned Income, is revised to remove the reference to KAMES and add Worker Portal instructions.

[MS 2710](#), Wages, is revised to remove reference to spot checks and for formatting.

[MS 2730](#), Contract Employment, is revised to remove references to KAMES and add Worker Portal information.



[MS 2770](#), Self-Employment Income, is revised to remove references to KAMES and reworded for clarity.

[MS 2773](#), Self-Employment Income Deductions, is reworded for clarity.

[MS 2800](#), Computation of Countable Income, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 2840](#), Earned Income Deductions, is revised for clarity.

[MS 2843](#), Earned Income Deduction Restrictions and Good Cause, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 2857](#), Time-Limited Deductions, is revised for clarity, to remove KAMES references and add Worker Portal information.

[MS 2880](#), Determining a KTAP Ineligibility Period, is revised for clarity.

[MS 2892](#), Applications During Ineligibility Period, is revised for clarity.

[MS 2895](#), Ineligibility Period Shortened, is revised for clarity.

[MS 3000](#), Requirements for Child Support Action, is revised for clarity.

[MS 3010](#), CSE Activities, is revised to rename the title to Child Support Enforcement Activities and for clarity.

[MS 3020](#), Family Support Responsibilities, is revised to remove KAMES references and add Worker Portal information.

[MS 3030](#), Child Support Referral Process, is revised to remove references to KAMES and for clarity.

[MS 3040](#), Noncooperation with Child Support Activities, is revised to remove reference to an obsolete form and for clarity.

[MS 3050](#), Good Cause for Noncooperation, is revised to remove references to KAMES and form PA-121 and to add Worker Portal instructions for good cause.

[MS 3060](#), Verification of Good Cause, is revised to add Worker Portal information.

[MS 3080](#), Penalty for Noncooperation, is revised to remove KAMES reference.

[MS 3650](#), Unemployed Parent (UP) Program, is revised for clarity.

[MS 3655](#), The Qualifying Parent and Prior Labor Market Attachment, is revised for clarity.

[MS 3665](#), Unemployment Requirements, is revised to remove KAMES references and for clarity.

[MS 3667](#), UP Reapplication after Discontinuance for KWP Noncooperation, is revised for clarity.

[MS 3670](#), Incapacity and the Unemployed Parent, is revised to reference Worker Portal processes when either parent alleges incapacity.

[MS 3700](#), Educational Bonus, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 3750](#), Relocation Assistance Program (RAP), is revised for clarity, to change the title from RAP Introduction to Relocation Assistance Program (RAP), and include the information contained in MS 3760, which is obsolete with this OMTL.

MS 3760, Relocation Assistance Program Eligibility, is obsolete.

[MS 3770](#), RAP Application Process, is renamed RAP Application and Payment Process and revised to incorporate information contained in MS 3790 which is obsolete with this OMTL.

MS 3790, RAP Payment Procedures, is obsolete.

[MS 3850](#), Work Incentive (WIN) Eligibility, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 3860](#), WIN Reimbursement Process, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 5000](#), Kinship Care Overview, is revised to remove KAMES references and add Worker Portal information.

[MS 5020](#), Additional Services for Kinship Care, is revised for clarity.

[MS 5040](#), Children not Eligible for Kinship Care, is revised to remove KAMES references.

[MS 5050](#), Kinship Care Technical Requirements, is revised to clarify that a child is removed from the Kinship Care (KC) case when the child is reunified with a parent on a trial basis. If the child returns to the KC caregiver's home within 60 days due to an unsuccessful unification, the KC case can be reapproved if all other eligibility factors are met.

[MS 5055](#), Permanency Requirements, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 5060](#), Child Support Requirements for Kinship Care, is revised for clarity, to remove KAMES references, and add Worker Portal information.

[MS 5090](#), Kinship Care Benefit Payments, is revised for clarity and to remove KAMES references.

[MS 5100](#), Reapplication for Kinship Care Benefits, is revised to state if the child returns to the KC caregiver's home within 60 days due to an unsuccessful reunification with the parent, the KC case can be reapproved if all other eligibility factors are met.

Subject: Policy Incorporation of Manual Sections regarding spend down eligibility for Modified Adjusted Gross Income (MAGI) Medicaid and various other revisions

Volume IVB

The Table of Contents is revised to add MS 2700 and MS 2710.

[MS 1901](#), Managed Care Providers, is revised to show that CoventryCares has changed to Aetna Better Health of Kentucky. This section is also revised to remove previous information regarding Managed Care Organization (MCO) effective dates and Anthem not being available in region 31, as MCO coverage is statewide for all categories.

[MS 1902](#), Managed Care Definitions, is revised to update Coventry Cares to Aetna Better Health of KY. This section is also revised to remove the statement to refer to MS 1901 for MCO effective dates and restrictions as all MCOs are available statewide.

[MS 1903](#), Managed Care Enrollment, is revised to clarify that deemed eligible newborns must be assigned the same MCO as the mother for the initial two months of Medicaid eligibility.

[MS 2700](#), Spend Down Process, is created to provide guidance concerning the issuance of MAGI spend down eligibility and establishing and determining a retroactive quarter. This section also specifies that there is no current quarter spend down eligibility in MAGI Medicaid spend downs.

[MS 2710](#), Medical Expenses in Spend Down, is created to provide guidance in allowable spend down medical expenses and consideration of medical expenses for a MAGI spend down.

[MS 2910](#), MAGI Income Scales, is revised to update Federal Poverty Level (FPL) income for Advance Premium Tax Credit (APTC) and Cost Sharing Reductions (CSR), MAGI Medicaid, and current MA scale.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 497  
March 1, 2016

Subject: Employment Training and Release 5 Implementation 2016

### Volume IIA

[Table of Contents](#) is revised to remove obsoleted MS 1600, MS 2200, MS 3100, MS 3150, MS 3300, and MS 4900; and add MS 3250 and MS 4150.

[MS 1050](#), Frequently Used Terms, is revised to remove terms "EZ" and "EX", and to update "WIA" to Workforce Innovation and Opportunity Act "WIOA". It is further revised for formatting.

[MS 1100](#), Overview, is revised to state that if a SNAP case discontinues, this does not void the member's work registration, as the member is registered with OET and that the person making application can agree to work register another household member; however, each member is responsible for completing the on-line registration with OET. It is further revised for formatting.

[MS 1550](#), Work Registration Procedures, is revised to state that the OET interface will verify if a member has work registered, remove references to "ET Target Code", as members are no longer coded, and for formatting.

[MS 1555](#), SNAP Work Registration for KTAP Applicants, is revised to update the work registration procedure and include that the worker must explain to the household that if the KTAP application is not approved and a member is not otherwise exempt, then the member will have to register for work in order to not have a disqualification and be eligible for SNAP. It is further revised to remove the hyphen in KTAP and for formatting.

MS 1600, Target Codes, is obsolete.

[MS 1650](#), Exemptions, is revised to instruct how to exempt a member from work registration when the exemption is for disability, remove reference to KAMES, and explain that a work registration exemption is based on how applicable questions are answered on the system. It is further revised to include that a chronically homeless person may be considered physically or mentally unfit if the person has been continuously homeless for a year or more and if it is obvious to the worker that the person is unfit for work. It is also revised to change "SSA" to "RSDI" as a type of disability benefit, to remove the hyphen from KTAP, for clarity and for formatting.

[MS 1700](#), Loss of Exemption, is revised to update that the member is considered work registered when it is confirmed by OET. It is further revised to instruct that when a change in work registration is reported to explain that the member must work register through OET and the procedure when a member does not agree to register. It is also revised for formatting.

[MS 2000](#), ABAWD Overview, is revised to add that prorated months do not count as a BA month, remove references to KAMES and the ETP waiver, and remove that ABAWD volunteers are accepted. It is further revised for formatting.

[MS 2100](#), ABAWD Work Requirements, is revised to update WIA to WIOA, to update procedures for the new system, and remove references to KAMES and target codes. It is further revised to state the system will convert the monthly hours worked by a member and for formatting.

[MS 2105](#), ABAWD Exemptions, is revised to remove references to KAMES and target codes, to include reviewing the EDG when ensuring that ABAWD exemption policy is applied correctly prior to disposing all case actions, for clarity, and for formatting.

MS 2200, Target Codes, is obsolete.

[MS 2250](#), Components, is revised to update WIA to WIOA, to instruct workers to document all actions on the Activity Progress Screen, for clarity, and for formatting.

[MS 2300](#), ABAWD Tracking, is revised to update the ABAWD tracking codes and procedures on viewing a member's non-compliant months and changing or adding a non-compliant month. It is further revised for formatting.

[MS 2350](#), Changes in ABAWD Status, is revised to remove references to KAMES, procedures on viewing a member's non-compliant months and changing a non-compliant month. It is further revised for formatting.

[MS 2355](#), Returning ABAWD, is revised to remove references to KAMES and clarify which month a returning ABAWD would be eligible and which month the ABAWD would be removed. It is further revised for clarity and for formatting.

[MS 2450](#), Out of State ABAWD, is revised to instruct how to update an ABAWD's months and for formatting.

[MS 2500](#), Procedures for Non-Exempt ABAWD, is revised to update the procedures for processing a non-exempt ABAWD for the new system, for clarity, and for formatting.

[MS 2600](#), Transportation "Excessive Expense" Good Cause Exemption, is revised to update the procedures for the 30-day job search follow-up appointment, remove references to KAMES procedures, and for formatting.

[MS 2700](#), ABAWD Noncompliance, is revised to remove references to KAMES due to the new system, for clarity, and for formatting.

[MS 3050](#), ETP Overview, is revised to remove the procedure of work registrants being referred to an ETP worker, for clarity, and for formatting.

MS 3100, ETP Referrals, is obsolete.

MS 3150, Volunteers, is obsolete.

[MS 3250](#), Component Choices, is created to identify the two participation choices for ABAWDs.

[MS 3300](#), EZ Inquiry, is obsolete.

[MS 3400](#), Reporting Changes, is revised to remove the statement that changes impacting ETP must be reported to the ETP worker, as all SNAP workers can act on these changes, and the procedures of changes that the ETP worker has to act on. It is further revised to update which changes in ETP participation are automatically processed by the system when action is taken on a SNAP case and for formatting.

[MS 3500](#), Transportation Payment Procedures, is revised to clarify that the participant signs the assessment and for formatting.

[MS 3600](#), Authorizing Transportation Payments, is revised to update the procedures issuing a payment due to the new system and for formatting.

[MS 3700](#), Conciliation Due to Noncompliance, is revised to update that the system will start conciliation when the participant is in noncompliance instead of the ETP worker taking action and to include completing the assessment as an action to resolve noncompliance and cancel the conciliation when a participant fails to do this. It is further revised for formatting.

[MS 3800](#), Imposing ETP Disqualifications, is revised to remove references to KAMES and update that the system will automatically apply disqualifications. It is further revised for formatting.

[MS 3850](#), ET Conciliation Met, is revised to update the procedures due to the new system when conciliation has been met, for clarity, and for formatting.

[MS 3900](#), Curing Disqualifications, is revised to update the procedures to reflect the new system and for formatting.

[MS 4000](#), Compliance Referrals, is revised to update the procedures for processing ABAWD compliance referrals due to the new system and for formatting.

[MS 4150](#), Imposing ETP Disqualifications, is created to explain when an ETP disqualification is imposed.

[MS 4205](#), Voluntary Quit/Reduction of Work Hours Identification, is revised to update how a disqualification is entered due to the new system and for formatting.

[MS 4350](#), Noncompliance with Other Work Programs, is revised to remove references to KAMES processing and replace with the new system processing. It is further revised to remove the hyphen in KTAP and for formatting.

[MS 4450](#), Imposing Work-Related Disqualifications, is revised to remove the reference to KAMES and for formatting.

[MS 4500](#), Ending Work-Related Disqualifications, is revised to remove references to KAMES processing and replace with the new system processing. It is further revised to remove the hyphen in KTAP and for formatting.

[MS 4550](#), Penalties for Noncompliance, is revised to state that disqualifications previously imposed based on spot checks are now imposed based on system imposed information, for clarity, and for formatting.

[MS 4800](#), Move From County To County, is revised to remove references to KAMES processing and replace with the new system processing. It is further revised for formatting.

[MS 4850](#), Reinstating After Erroneous ETP Disqualification, is revised as target codes are no longer used, for clarity and for formatting.

MS 4900, Spot Checks and Reports, is obsolete.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 496  
March 1, 2016

Subject: Revisions in Volumes I and II due to Release 5 and other revisions

### Volume I

[MS 0230](#), Limited English Proficiency (LEP), is revised to clarify when to use the Waiver of Interpreter Service form.

### Volume II

[Table of contents](#), is revised to include MS 6745, update the title of MS 2900 to Alien Status, update the title of MS 6475 to Reinstatement and Reactivate, and remove manual sections 3155, 3290, 6106, 6125, and 7300 as they are now obsolete.

[MS 2010](#), Relatives as a Separate Household, is revised to remove the reference to KAMES procedures.

[MS 2020](#), Special Provision for the Elderly and Disabled, is revised to remove the reference to KAMES procedures, for clarity, and for formatting.

[MS 2060](#), Nonhousehold Members, is revised to remove the reference to KAMES procedures.

[MS 2300](#), Students, is revised to state that at the end of a school term, if the student does not meet ongoing eligibility, it is the responsibility of the household to report this change. It is further revised to remove references to KAMES procedures, remove the hyphen from KTAP, to update "WIA" to Workforce Innovation and Opportunity Act "WIOA", and for clarity.

[MS 2350](#), Fleeing Felons, is revised to state that if a warrant is not being acted upon, then an individual is not to be considered fleeing, and if a law enforcement agency does not intend to arrest an individual for probation or parole violations, within 30 days, the State agency shall no longer consider the individual as a fleeing felon, probation, or parole violator. Furthermore, it is revised to state that it is the state's responsibility to verify, and client's statement cannot be used to disqualify the individual.

[MS 2370](#), Noncompliance with Other Programs, is revised to remove the reference to KAMES, remove the hyphen from KTAP, and for clarity.

[MS 2610](#), Eligibility of Treatment Center Participants, is revised to update system procedures.

[MS 2660](#), Center Responsibilities, is revised to remove the reference to KAMES, update system procedures, and update that when a treatment center is disqualified it will be removed from the list of eligible facilities on the system.



[MS 2900](#), Alien Status, is revised to remove references to KAMES procedures and to update procedures for verifying 40 quarters on the new system.

[MS 2910](#), Verification of Alien Status, is revised to remove references to KAMES and to update procedures for the new system.

[MS 2915](#), Verification – SAVE, is revised to remove references to KAMES and to update system entries and procedures for the new system.

[MS 2920](#), Ineligible Alien/Member Resources and Income, is revised to remove KAMES procedures, for clarity and for formatting.

[MS 3120](#), Eligibility Determination for SNAP Applications from SSA, is revised to remove the reference to KAMES, for clarity, and for formatting.

MS 3155, Prerelease SSI/SNAP Applications, is obsolete.

[MS 3175](#), Verification at Application, is revised to state that if the categorically eligible household is near the resource limit or if questionable, pend the case for verification of resources and request the verification on the RFI. If the verification is not provided, the system will deny or discontinue the case. In all other situations, client statement is accepted as verification of resources. Enter "collateral contact" as the verification source and document that the client's statement was taken for verification. It is further revised to remove the reference to KAMES and for formatting.

[MS 3200](#), Simplified Assistance for the Elderly – Overview, is revised to remove the reference to KAMES and remove that case records are maintained in Central Office, as all records are now electronic. It is further revised to clarify that SAFE applications are identified as either "SAFE" or "SF" on the system and for formatting.

[MS 3230](#), SAFE Application Procedures, is revised to remove the reference to KAMES.

[MS 3260](#), Change Report Requirements for SAFE, is revised to remove the reference to KAMES and for formatting.

[MS 3275](#), Monthly SDX Match for SAFE, is revised to remove references to KAMES procedures and to state that the new system automatically updates changes reported by SDX, including case discontinuance. It is further revised for formatting.

MS 3290, SAFE Spot Checks, is obsolete.

[MS 3600](#), Enumeration Requirements for the SNAP Program, is revised to change the name to Enumeration Requirements for SNAP. It is further revised to remove the reference to KAMES, to update system entries and procedures for the new system, remove reference to pseudo numbers, as they are not used in the new system, and for formatting.

[MS 3620](#), SSN Applications, is revised to remove the reference to KAMES and entries due to SS-5 good cause dates, and for formatting.

[MS 3810](#), Allowed Representatives, is revised to remove the reference to KAMES.

[MS 5050](#), Countable Resources, is revised to state that funds received from Crowdfunding accounts, such as GoFundMe, Kickstarter, and Indiegogo, are considered liquid resources, and the actual value of the accessible funds is counted for SNAP cases.

[MS 5210](#), Excluded Income, is revised to state that households with a child who is 14 years old at application or recertification, enter collateral contact "CC" as the verification source for attendance and require further verification at the next recertification.

[MS 5220](#), Countable Income, is revised to remove the reference to KAMES, to update procedures for the new system, and to remove the reference to the Child Care Assistance Payments report, as it is obsolete. It is further revised for clarity, to remove the hyphen from KTAP and to update "WIA" to "WIOA".

[MS 5320](#), Business Expenses, is revised for clarity and for formatting.

[MS 5330](#), Budgeting – Nonfarm Income, is revised to update procedures for the new system and to remove the reference to the Child Care Assistance Payments report, as it is obsolete.

[MS 5450](#), Dependent Care Deduction, is revised to remove references to KAMES, update procedures for the new system, and for formatting.

[MS 5485](#), Treatment of Homeless Households With Shelter Costs, is revised to clarify that if the only utility expense incurred by a homeless household is a telephone expense, then the household is only entitled to the Telephone Standard deduction.

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to include that a telephone expense must be verified.

[MS 5500](#), Treatment of Utility Expenses, is revised to remove references to KAMES and update procedures for the new system.

[MS 5510](#), Child Support Deduction, is revised to remove references to KAMES and to update procedures for the new system.

[MS 5650](#), Budgeting Income, is revised to remove references to KAMES and to update system entries and procedures for the new system. It is further revised to state that tips are now entered in the "Tips" field when entering pay check verification on the system and to remove the hyphen in KTAP.

[MS 6020](#), Caseworker Responsibilities, is revised to remove references to KAMES procedures and remove the hyphen from KTAP.

MS 6106, Mass Change, is obsolete.

MS 6125, Electronic Signature, is obsolete.

[MS 6400](#), Overview of Application Time Standards, is revised to remove references to KAMES procedures and to clarify that when a worker tries to dispose a case and it pends for supervisor approval, a message will appear stating this and a supervisor task will be generated. It is further revised for formatting.

[MS 6410](#), Verification Time Standards at Application and Recertification, is revised to remove references to KAMES, for clarity, and for formatting.

[MS 6450](#), Special Issuance Timeframes for Expedited Services, is revised to remove references to KAMES and to update system entries and procedures for the new system. It is further revised for formatting.

[MS 6470](#), Delays in Processing, is revised to remove reference to KAMES and clarify that appointments are entered on the appointment calendar in order for the system to generate the appropriate notice.

[MS 6475](#), Reinstatement and Reactivate, is revised to update the manual section name, to remove references to KAMES and to update procedures for the new system, and for formatting.

[MS 6480](#), SNAP 6-Month Review Overview, is revised to remove references to KAMES procedures and for clarity.

[MS 6485](#), SNAP 6-Month Review Processing, is revised to update procedures for the new system.

[MS 6490](#), SNAP 6-Month Review Verification Requirements, is revised to update procedures for the new system and to remove that outstanding batch matches must be resolved during a 6-month review.

[MS 6500](#), Overview of Recertification Time Standards, is revised to remove references to KAMES procedures and to clarify that when a worker tries to dispose a case and it pends for supervisor approval, a message will appear stating this and a supervisor task will be generated. It is further revised for formatting.

[MS 6540](#), Failure to Complete Recertification, is revised to remove references to KAMES and to update procedures for the new system. It is further revised to clarify when a migrant or seasonal farmworker household that received benefits in the month prior to an application, the application month's benefits are not prorated. It is also revised for clarity and formatting.

[MS 6705](#), Simplified Reporting Households, is revised to remove references to KAMES and to remove the hyphen in KTAP.

[MS 6707](#), Simplified Reporting – Acting on Changes, is revised to remove references to KAMES, to update procedures for the new system, and remove the hyphen from KTAP.

[MS 6735](#), Worker Requirements for Acting on Changes in Medical Expenses, is revised to remove references to KAMES.

[MS 6740](#), Worker Requirements for Acting on All Other Changes, is revised to remove references to KAMES and for clarity.

[MS 6745](#), System Action on SNAP Changes with Missing Verification, is created to identify how changes are treated when verification is not provided.

[MS 6750](#), Acting on Changes Which Increase Benefits, is revised to remove references to KAMES.

[MS 6765](#), Acting on Change of Address, is revised to remove references to KAMES, to update procedures for the new system, and for clarity.

[MS 6770](#), Providing Supplementals, is revised to remove references to KAMES, to update procedures for the new system, and for formatting.

[MS 6790](#), SNAP Restorations, is revised to remove references to KAMES, to update procedures for the new system, and for formatting.

[MS 7000](#), Required Verification at Application, is revised to include that a telephone expense must be verified to receive the Telephone Standard Deduction.

[MS 7060](#), Household Cooperation, is revised to state that workers must review prior case comments to see if the question "Is contact needed to verify unclear information?" has been previously used and the case discontinued for not complying, and the process if this situation is found.

[MS 7110](#), Timely Notice of Decrease, Discontinuance, is revised to remove the reference to KAMES.

MS 7300, Case Number Assignment, is obsolete.

[MS 7475](#), SNAP Case Documentation, is revised to remove references to KAMES procedures and to update commenting procedures as the new system captures the exact verification when it is entered on the system. It is further revised to instruct workers to read previous case comments and document this in acknowledgment. It is also revised to update medical expense comments, to include ABAWD comments, and for clarity.

[MS 8100](#), Issuance Cycle, is revised to change the dates benefits are made available to recipients. It is further revised to remove references to KAMES and specific KAMES codes, and for formatting.

[MS 9000](#), Disaster – General, is revised to remove references to KAMES, clarify that DSNAP applications are taken face-to-face, and for formatting.

[MS 9015](#), DSNAP Allotment, is revised to remove references to KAMES, for clarity, and for formatting.

[MS 9025](#), Dual Participation, is revised to remove references to KAMES, to update procedures for the new system, for clarity, and for formatting.

[MS 9035](#), DSNAP Electronic Benefit Transfer (EBT) Issuance, is revised to remove references to KAMES, for clarity, and for formatting.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 495  
February 29, 2016

Subject: Various Changes to Volume IVA due to Release 5

### Volume IVA

The Table of Contents has been revised to remove the obsolete manual sections and change titles.

[MS 1015](#), Abbreviations and Acronyms, is revised to add abbreviations and acronyms.

[MS 1030](#), Classification of Eligible Groups, is revised to change the title to Type of Assistance (TOA). It has also been revised to list the type of assistance, program name, and description for each group used to identify eligible Medicaid (MA) individuals.

[MS 1240](#), KYHealth Card, is revised to add policy from MS 1245. It is also revised to clarify that individuals will also receive a Managed Care Organization (MCO) card in addition to the KYHealth Card. Individuals must keep their KYHealth Card as well.

MS 1245, Nonreceipt of KYHealth Cards, is obsolete as this policy has been added to MS 1240.

[MS 1340](#), Introduction to Managed Care, is revised:

- To remove MA recipients that are exempt from enrolling with an MCO as this policy is in MS 1346;
- To replace KAMES with Worker Portal and to address the MCO selection process; and
- To add the MCO website that workers and recipients can access to search for providers, etc.

[MS 1343](#), Managed Care Enrollment, is revised:

- To replace KAMES with Worker Portal;
- To incorporate policy that the MCO is selected from the shopping module on Worker Portal;
- To rename Coventry Cares to Aetna Better Health of KY;
- To incorporate policy that Anthem is statewide;
- To remove region 31 as all MCO's are statewide; and
- To add that a deemed eligible newborn is required to have the same MCO as the mother for the initial two months of MA eligibility.

[MS 1346](#), Exempt/Non-Exempt Managed Care Recipients, is revised to add and remove individuals exempt and non-exempt managed care.

[MS 1350](#), Application for Entitled Benefits, is revised to incorporate policy that if an individual is potentially eligible for Supplemental Security Income (SSI), an application is entered on Worker Portal. Form PA-5.1, Report or Referral to the

District Social Security Office, will system generate for the individual to apply for SSI. It is also revised to add that for individuals who have reached 64 years and 9 months of age, refer them to the Social Security Administration (SSA) for a determination of eligibility for Medicare benefits.

[MS 1353](#), Eligibility for Entitled Benefits, is revised for clarity.

MS 1370, Application Process, is obsolete and this policy has been added to MS 1372 or no longer applies.

[MS 1372](#), Adult MA Interview Process, is revised:

- To change the title to Non-MAGI MA Application/Interview Process;
- To incorporate policy from MS 1370;
- To incorporate policy that an individual can electronically sign form MA-2, Medicaid Penalty Warning, for in-person interviews;
- To incorporate policy that an individual may choose to sign form MA-2 by voice signature for phone interviews. Otherwise, Worker Portal will mail form MA-2 to the individual for signature and the case will pend for its return;
- To incorporate policy that if an interview is in-person, the application summary can be signed by electronic signature pad or by printing it out and having the individual sign it;
- To incorporate policy that if an interview is by phone, the application summary can be signed by voice signature. Otherwise, Worker Portal will mail the application summary to the individual for signature and the case will pend for its return;
- To incorporate policy that individuals may return information or verification by mail, fax, to any DCBS office, to the Centralized Mail Center, or by uploading documentation to the self-service portal (SSP); and
- For formatting, and clarity.

[MS 1435](#), Processing Special Circumstances, is revised to remove reference to KAMES.

[MS 1440](#), Case Record Content, is revised to change the title to Electronic Case File (ECF). It is also revised to explain what is scanned into ECF.

[MS 1470](#), Standard of Promptness, is revised to remove reference to KAMES and to remove good cause codes.

[MS 1530](#), Reasons for Negative Action, is revised to remove reference to KAMES and replace with Worker Portal.

[MS 1630](#), Emergency Shelter, is revised for clarity.

[MS 1660](#), Third Party Liability (TPL), is revised:

- To remove reference to KAMES and replace with Worker Portal;
- To incorporate policy that if an individual has Medicare, it is entered on the Medicare Details Screen. It is no longer entered as a health insurance policy;
- To incorporate policy that if any member requesting MA is expecting an accident settlement, it must be entered on Worker Portal; and

- For clarity.

[MS 1750](#), Introduction to Financial Eligibility, is revised to remove that the Medicaid Works standards are found on KAMES inquiry.

[MS 1770](#), Applicant Living with Spouse, is revised to change the title to Applicant With a Spouse. It is also revised for formatting and clarity.

MS 1790, Applicant Living with Dependent Child, is obsolete as this policy refers to Family MA.

Division of Family Support

Operation Manual  
Transmittal Letter No. 494  
January 11, 2016

Subject: Policy Incorporation of Manual Sections regarding Time-Limited Medicaid (MA) Eligibility and Extension of Time-Limited MA

Volume IVB

The Table of Contents is revised to add MS 2160 and MS 2162.

[MS 2160](#), Time-Limited MA, is created to provide guidance concerning the issuance of Time-Limited MA for ineligible aliens with an emergency medical condition.

[MS 2162](#), Extension of Time-Limited MA, is created to provide guidance concerning the issuance of extensions for Time-Limited MA for ineligible aliens with an emergency medical condition.



Subject: Various Revisions to Volumes I, II, and IIA

Volume I

[MS 0560](#), Documentation of Alien Status, is revised to state that refugees are no longer issued a paper I-94, as it is now automated.

Volume II

[MS 2000](#), Definitions, is revised to remove the reference to KAMES and to remove the specification of same sex spouses are considered married if they were married in a jurisdiction that recognized the marriage, as same sex marriage is now recognized in all states. It is further revised to remove the hyphen in KTAP.

[MS 2900](#), Alien Status, is revised to clarify that Cuban and Haitian nationals who are paroled under section 212(d)(5) of INA are considered paroled in the special status in section 501(e)(1) of the REAA of 1980, except for those paroled for purposes of criminal prosecution or solely to testify as a witness in court proceedings.

[MS 2910](#), Verification of Alien Status, is revised to state that refugees are no longer issued a paper I-94, as it is now automated.

[MS 3800](#), Representative Requirements, is revised to remove the reference to KAMES and to remove the procedure to enter the spouse as the authorized representative if the client hasn't chosen one, as the spouse is already a member of the case and can act as a representative. It is further revised for formatting.

Volume IIA

[MS 2550](#), Good Cause Determination, is revised to update that a good cause month is not considered a BA month, to remove the specification that the ETP worker tracks the short term good cause status, to update that excessive expense for transportation can only last 30 days, and for formatting.

[MS 2600](#), Transportation "Excessive Expense" Good Cause Exemption, is revised to update that excessive expense for transportation can only last 30 days.

[MS 2750](#), ABAWD Bonus Months, is revised to remove the stipulation of losing employment "through no fault of their own" and for formatting.

Subject: Various Revisions in Volume IVA

Volume IVA

The Table of Contents is revised to remove the obsolete manual sections and also change some of the titles.

MS 1000, Providing Medicaid, is obsolete as the policy has been added to the Medicaid definition in MS 1010.

[MS 1010](#), Adult MA Definitions, is revised:

- To add the definitions from the obsolete manual sections;
- To add new definitions;
- To remove definitions; and
- To clarify some of the definitions.

[MS 1015](#), Abbreviations, is revised to change the title to Abbreviations and Acronyms. It is also revised to add additional abbreviations, acronyms, and for formatting.

[MS 1020](#), Agency Responsibility, is revised for clarity.

MS 1342, Managed Care Definitions, is obsolete as the definitions have been added to MS 1010.

[MS 1374](#), Applications for the Deceased, is revised to clarify that applications for the deceased may be completed by anyone applying on the deceased individual's behalf, such as a spouse, the next of kin, or approved agencies, such as Chamberlin Edmonds.

MS 1376, Out-of-State Applicants, is obsolete as this policy has been added to MS 1580.

[MS 1540](#), Misrepresentation and Fraud, is revised for clarity and formatting. It is also revised to add that if situations of suspected provider fraud or abuse are reported, a memorandum with a summary of the situation can be sent to the Office of the Inspector General (OIG) by email to [CHFS.fraud@ky.gov](mailto:CHFS.fraud@ky.gov).

[MS 1580](#), Introduction, is revised to change the title to Residency. It is also revised to add policy from MS 1640 and MS 1650 and for clarity.

[MS 1590](#), Placement by Another State, is revised to clarify that the Department for Medicaid Services (DMS) places individuals in out of state placements. The individual's Medicaid (MA) remains active even though they have been placed out of state.

MS 1640, Specific Prohibitions, is obsolete as this policy has been added to MS 1580.

MS 1650, Disputed Residency, is obsolete as this policy has been added to MS 1580.

[MS 1850](#), Overview of Resources, is revised to add policy from MS 1870 and for clarity.

MS 1870, Verification and Documentation, is obsolete as this policy has been added to MS 1850.

MS 2032, Burial Reserve Definitions, is obsolete as the definitions have been added to MS 1010.

[MS 2180](#), Introduction, is revised to change the title to Introduction to Income. It is also revised to add policy from MS 2210 and MS 2400 and for clarity.

MS 2210, Unearned Income, is obsolete as this policy has been added to MS 2180.

MS 2400, Earned Income, is obsolete as this policy has been added to MS 2180.

MS 3330, Residence Requirements for LTC, is obsolete as this policy has been added to MS 1580.

[MS 3700](#), Privately Owned/Operated Facilities, is revised to change ICF/MR/DD to Intermediate Care Facility for Individuals with an Intellectual Disability (ICF IID). It is also revised to remove the reference to the PA-62 system as it is no longer used.

[MS 3710](#), State Owned/Operated Facilities, is revised to change ICF/MR/DD to ICF IID. It is also revised to change the hearing branch address.

MS 4155, Acronyms and Definitions, is obsolete as the definitions have been added to MS 1010.

Subject: Annual Cost-of-Living Changes for Utility and Income Standards, Shelter Deductions and Various Policy Changes

Volume I

[MS 0730](#), Disqualified Recipient Subsystem (DRS), is revised to reflect the name change to Electronic Disqualified Recipient Subsystem (eDRS). It is further revised to add language stating that the procedure for obtaining information pertaining to out-of-state IPV disqualifications now consists of a query via eDRS in the SNAP Web Portal.

Volume II

[MS 5200](#), Income Eligibility Scale, is revised to reflect the annual COLA changes to the maximum and net income limits. The example in item 4 is also revised to reflect income changes.

[MS 5320](#), Business Expenses, is revised to state that if an income tax return is provided as verification, only the Schedule C portion from the most recent income tax return is sufficient to verify self-employment gross income and business expenses. It is further revised for formatting.

[MS 5330](#), Budgeting – Nonfarm Income, is revised to state that if an income tax return is provided as verification, only the Schedule C portion from the most recent income tax return is sufficient to verify self-employment gross income and business expenses. It is further revised to state that whenever records and receipts other than tax returns are used, document the reason the tax return was not used and document in detail the records and receipts that were used to determine countable income and for formatting.

[MS 5340](#), Budgeting – Farm Income, is revised to state that if an income tax return is provided as verification, only the Schedule F portion from the most recent income tax return is sufficient to verify self-employment farm income and business expenses and for formatting.

[MS 5350](#), Farm Income Net Loss, is revised to change “tax return” to “schedule F from the most recent income tax return” and for formatting.

[MS 5400](#), Deductions, General, is revised to reflect the annual COLA changes to the standard deduction for households with four or more members and maximum shelter cost deduction.

[MS 5430](#), Allowable Medical Deductions, is revised to clarify that when a client claims mileage expenses for the medical deduction that the worker is to compare the client stated total miles with a map program, such as MapQuest to ensure the client’s

stated total is reasonable, and the client must provide a signed and dated statement detailing the total number of miles they are claiming and for the period of time they cover, i.e. weekly, monthly, or the entire period. It is further revised for clarity and formatting.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated SUA.

[MS 5498](#), Non-Heating and Non-Cooling Costs/ Basic Utility Allowance, is revised to reflect the updated BUA and telephone standard. It is further revised to instruct how the telephone standard must be verified.

[MS 5800](#), Calculations of Allotment, is revised to reflect the annual COLA change to the Maximum Shelter Deduction.

[MS 6102](#), Taking the Application, is revised to remove Phone Interview as a Special Interview.

[MS 6145](#), Web Portal Case Worker Role, is revised to change "normal local office business hours" to "5:30pm EST (4:30pm CST)" when referring to the workday application deadline.

[MS 7000](#), Required Verification at Application, is revised to state that SDX is not acceptable source of verification for RSDI or other unearned income.

[MS 7050](#), Sources of Verification, is revised to state that SDX is not acceptable source of verification for RSDI or other unearned income.

[MS 8220](#), Authorizing Replacements Due to a Casualty Loss, is revised state that workers complete an in-depth review of requests for replacement due to a casualty loss, to ensure that the request meets policy requirements and verification is provided. If the household has a pattern of requesting replacements, additional verification is needed and/or receipts should be requested before approval of the replacements. The Food and Nutrition Services (FNS) has begun requiring states to separate replacement amounts from normal issuance amounts on budget reports, and large replacement numbers must of be substantiated.

## Division of Family Support

Operation Manual  
Transmittal Letter No.490  
September 1, 2015

Subject: Hearing Procedural Changes

### Volume I

[MS 0450](#), The Hearing Process, is revised to state that a request for a hearing related to Medicaid payments or covered services is sent to Department for Medicaid Services, Administration & Financial Management, Administrative Service Branch, 275 East Main Street, 6C-C, Frankfort, Kentucky 40621-0001.

[MS 0455](#), Hearing Process Flow Chart, is revised to update the chart to reflect the fair hearing process established with the Division of Administrative Hearings (DAH) and provide timelines for conducting the hearing, filing exceptions and issuing the final order.

[MS 0510](#), Recommended Order, is revised to add language stating, if no exceptions are filed by DCBS or the recipient to the CHFS appeal Board for Public Assistance, then on the 16th day the Recommended Order (RO) becomes the Final Order. The worker/supervisor has **5 calendar** days from the **mail** date to review the RO and request an exception through their respective Program Specialist (PAP). The PAP will be required to forward the exception to the appropriate branch by the **7<sup>th</sup> calendar** day. It's further revised for formatting.

[MS 0870](#), General Procedures For All Claims, is revised to add new procedures for completing form PAFS-431, Claim Referral. Complete form PAFS-431, when the suspected overissuance is discovered. A new PAFS-431 is not required if a claim is split into two sequences due to household members that move in and out. Make a copy of the original PAFS-431 that identified the #01 claim and place it with the #02 claim. Be sure to complete Section "J" on the form for both #01 and #02 claims explaining the situation for each claim. It's further revised to remove the hyphen in "KTAP" and for formatting.

[MS 1070](#), Administrative Disqualification Hearings, is revised to add language stating when form FS-79 and evidence is emailed to the Division of Administrative Hearings (DAH) to be sure to send copies to the CMS inbox at [CHFS.DFS.Claims@ky.gov](mailto:CHFS.DFS.Claims@ky.gov). It is further revised for formatting.

[MS 1080](#), Administrative Disqualification Hearing Process Flow Chart, is revised to add language stating that if an exception is filed timely by either party, the other party can file a rebuttal to the exception within the 15-day period. If the 15 days have elapsed, no rebuttal can be made. It is further revised for formatting

[MS 1100](#), Local Office Procedures For Acting On Administrative Disqualification Hearing Final Order, is revised to add language stating when form FS-79 and evidence is emailed to DAH to be sure to send copies to the CMS inbox. The agency must submit the evidence to DAH by email and to the client by mail at least 8 days prior to the scheduled telephone hearing. Prior to sending the evidence to DAH and the client, ALL evidence must be labeled as: Exhibit 1, 2, 3 or A, B, C etc. Provide a summary of the evidence on form FS-79. It is further revised for formatting.

Division of Family Support

Operation Manual  
Transmittal Letter No.490  
September 1, 2015

[MS 1110](#), Intentional Program Violation Disqualification Penalties, is revised to add language to clarify the disqualification decision date procedures.

Subject: 2015 Spousal Impoverishment Standards

This OMTL is created to incorporate the new Community Spouse Minimum Income Allowance, Community Spouse Minimum Shelter Allowance, and Family Member Income Allowance that increased effective July 1, 2015. This OMTL is also created to correct the Community Spouse Maximum Income Allowance which was \$1.00 too low.

Volume IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the following standards effective 7/1/15:

- Community Spouse Minimum Income Allowance increased to \$1992;
- Community Spouse Minimum Shelter Allowance increased to \$598;
- Family Member Income Allowance Standard increased to \$1992; and
- Community Spouse Maximum Income Allowance is corrected to \$2981.

[MS 3550](#), LTC Individual With Community Spouse, is revised to change the following standards effective 7/1/15:

- Community Spouse Minimum Income Allowance increased to \$1992;
- Community Spouse Minimum Shelter Allowance increased to \$598;
- Family Member Income Allowance Standard increased to \$1992; and
- Community Spouse Maximum Income Allowance is corrected to \$2981.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 488  
August 13, 2015

Subject: Revisions to Volume I, Interpreter Services, and Volume III, FAD Eligibility and Enumeration.

### Volume I

[MS 0220](#), Interpreter Services for Deaf and Hard of Hearing Individuals, is revised to add that Video Relay Services (VRS) is a qualified interpreter and that form CHFS-OHRM-EEO-3 is not completed for this service.

### Volume III

[MS 2203](#), FAD Eligibility Determination, is revised to remove the requirement that citizenship must be verified for the adult and at least one child before FAD can be approved. Citizenship for all members is verified by client's statement unless questionable. In addition, item C. is revised to clarify when the PA-97, Assistance Program Inquiry, is completed.

[MS 2332](#), Enumeration, is revised with instructions on how to issue an SSN for a Cuban Entrant/Cuban Parolee who did not enter through a refugee program. Form PAFS-100, State Assistance Verification for Social Security Card Application for Non-Citizens, is completed to verify that an SSN is needed in order to receive assistance from SNAP, KTAP or Medicaid.

Division of Family Support

Operation Manual  
Transmittal Letter No.487  
July 1, 2015

Subject: SAFE One Person Household Allotment Decreases

Volume II

[MS 3220](#), Safe Allotments, is revised to reflect the decrease in SNAP benefit for one person households for SAFE recipients. This change is due to a Food and Nutrition Service review of Kentucky's SAFE program. However, the benefit amounts for a two person SAFE household do not change.

Subject: Various Manual Sections to Obsolete in Volume IVA

This OMTL has been created to obsolete manual sections from Volume IVA in anticipation of Release 5. The information in these manual sections is either not used in Medicaid or State Supplementation eligibility determinations or is located in another manual section.

#### Volume IVA

The Table of Contents has been revised to remove the obsolete manual sections.

MS 1040, One Category of Assistance, is obsolete as this policy is found in MS 4400.

MS 1345, Managed Care Providers, is obsolete as this policy is found in MS 1342 and MS 1343.

MS 1378, Caseload Responsibility, is obsolete as this information is administrative and is not used in the Medicaid or State Supplementation eligibility determination.

MS 1475, Assignment of Caseload Codes, is obsolete as this information is administrative and is not used in the Medicaid or State Supplementation eligibility determination.

MS 1476, Determining Caseload Code and County of Residence, is obsolete as this information is administrative and is not used in the Medicaid or State Supplementation eligibility determination.

MS 1800, KTAP and Family Related MA Recipient Who Enters LTC, is obsolete as Family MA has been replaced with MAGI Medicaid. MAGI policy and the FSM "Modified Adjusted Gross Income (MAGI) Medicaid Recipients in Long Term Care (LTC)" should be followed when an individual is in LTC. A KTAP child in LTC is still carried on KAMES as a work around.

MS 2000, SSI Essential Person Resources, is obsolete as the Social Security Administration (SSA) has phased out this program. Any individuals remaining on SDX as SSI Essential Persons are treated as SSI recipients.

MS 2630, Aged, Blind, or Disabled MA with a Family MA or AFDC Related MA Companion Case, is obsolete as Family MA and AFDC Related MA has been replaced with MAGI Medicaid.

MS 2895, SCL Notice Procedures, is obsolete as the PA-62 system is no longer used to process cases.

MS 2995, HCBS Notice Requirements, is obsolete as the PA-62 system is no longer used to process cases.

MS 3080, Hospice Notice Procedures, is obsolete as the PA-62 system is no longer used to process cases.

MS 3400, KTAP and Family MA Recipient in LTC, is obsolete as Family MA has been replaced with MAGI Medicaid. MAGI policy and the FSM "Modified Adjusted Gross Income (MAGI) Medicaid Recipients in Long Term Care (LTC)" should be followed when an individual is in LTC. A KTAP child in LTC is still carried on KAMES as a work around.

MS 3570, LTC for KTAP, AFDC, Related and Family Related MA, is obsolete as AFDC Related and Family Related MA has been replaced with MAGI Medicaid. MAGI policy and the FSM "Modified Adjusted Gross Income (MAGI) Medicaid Recipients in LTC" should be followed when an individual is in LTC. A KTAP child in LTC is still carried on KAMES as a work around.

MS 4700, SSI Essential Person, is obsolete as the SSA has phased out this program. Any individuals remaining on SDX as SSI Essential Persons are treated as SSI recipients.

MS 4752, Grandfathered Disabled Children, is obsolete as the SSA has phased out this program.

MS 4753, Grandfathered Disabled Child (GDC) Recertification, is obsolete as the SSA has phased out this program.

Subject: Citizenship and Identity for KTAP, and Other Volume III Changes

Volume III

[MS 2285](#), Citizenship Requirements, is revised to state that client's statement can be accepted as verification of U.S. citizenship unless questionable. When using client's statement, enter "WS" as the verification source on KAMES.

[MS 2290](#), Verification of Identity Requirements, is revised to remove references to MS 2285 and to add current passport as a form of identity verification. In addition, identity is only verified for adults including a minor parent who is head of household.

[MS 3030](#), Child Support Referral Process, is revised to remove the instruction that a referral is not forwarded to Child Support Enforcement and to clarify that good cause does not apply to the assignment of rights.

[MS 3770](#), RAP Application Process, is revised to remove the reference to expedia.com as it does not provide information needed to verify if relocation is appropriate.

Subject: DMS Review Changes and Federal Poverty Level (FPL) Increase

This OMTL has been created due to the Department for Medicaid Services (DMS) no longer reviewing extension requests for continuing effort to sell real property. DMS also is no longer reviewing trusts, annuities, and Qualifying Income Trusts (QIT) for the determination of Medicaid (MA) eligibility. Trusts and annuities must still be forwarded to the Medical Support and Benefits Branch (MSBB) as these will be reviewed by the Office of Legal Services (OLS). The Department for Community Based Services (DCBS) field staff must complete form MA-8, QIT Checklist, for cases that require a QIT.

### Volume III

[MS 3850](#), WIN Eligibility, is revised with 2015 poverty level income limits. In addition the hyphen is removed from KTAP.

### Volume IVA

[MS 1372](#), Adult MA Interview Process, is revised:

- To remove that DMS reviews annuities;
- To add that OLS reviews trusts and annuities;
- To clarify that applications for all long term care (LTC) programs, including nursing facility (NF) and waiver, along with Pass Through applications, must be completed by conducting a face-to-face interview. Recertifications for all adult Medicaid categories of assistance may be completed via telephone;
- To add that applications and/or recertifications with an authorized representative (AR) must be completed face-to-face for a first-time interview regardless of the program type or category of assistance;
- To add that form MA-10, Reasonable Effort to Sell Checklist, must be completed for all cases in which an individual is requesting real property to be excluded from resource consideration for reasonable effort to sell. The form is also completed when an individual requests an extension for continuing effort to sell real property;
- To add that form MA-8, QIT Checklist, must be completed for cases that require a QIT; and
- For clarity and formatting.

[MS 1380](#), Adult Medicaid Documentation, is revised:

- To add that due to the complexity of Adult MA case work, comprehensive and thorough case comments are crucial with statewide processing of Adult MA cases;
- To remove that DMS reviews annuities, trusts, QIT's, and homestead exemption extension requests;
- To add that OLS reviews trusts and annuities;

- To add to document that form MA-10, Reasonable Effort to Sell Checklist, has been completed if homestead and non-home real property is exempt due to effort to sell;
- To add to document that form MA-8, QIT Checklist, has been completed if a QIT is required; and
- For clarity and formatting.

[MS 1470](#), Standard of Promptness, is revised:

- To remove that DMS reviews trusts, annuities, and QIT's;
- To add that OLS reviews trusts and annuities; and
- To change policy clarification to program inquiry.

[MS 1880](#), Excluded Resources, is revised:

- To add that the exclusion for effort to sell is determined by completion of form MA-10, Reasonable Effort to Sell Checklist, and may be extended for an additional six months after the initial six month exclusion on a case-by-case basis. The extension also requires the completion of form MA-10; and
- To add that Medicaid Qualifying Trusts are review by OLS.

[MS 1890](#), Annuities, has been revised:

- To remove that annuities are reviewed by DMS;
- To add that OLS reviews certain annuities;
- To clarify which annuities that do not have to be reviewed by OLS;
- To remove the reference to MAP-4104, Annuity Transmittal, as this form is obsolete; and
- To clarify the process when forwarding an annuity to MSBB for OLS review.

[MS 1975](#), Recognition of an Institutionalized Individual's Homestead Resources, is revised:

- To add that form MA-10, Reasonable Effort to Sell Checklist, must be completed when an individual requests real property be excluded from resource consideration for reasonable effort to sell;
- To add that form MA-10 must be completed for continuing effort to sell;
- To add that if the worker cannot establish reasonable effort to sell on form MA-10, then the extension will be denied and the equity value of the property is considered a countable resource;
- To clarify that individuals with an equity interest in their home greater than \$552,000 are ineligible for MA coverage for NF and waiver services, unless a community spouse, minor/dependent or disabled child(ren) reside in the home; and
- To add the internet as a way of advertising property for reasonable effort to sell if the property has been listed with a real estate agent or privately.

[MS 1980](#), Non-Home Real Property, is revised to add that form MA-10 must be completed at each recertification or reapplication when an individual requests that non-home real property be excluded for reasonable effort to sell.

[MS 1990](#), Non-Recurring Lump Sum Income, is revised to remove that DMS reviews trusts. It is also revised to add that OLS reviews all trusts.

[MS 2010](#), Trusts, is revised:

- To remove that DMS reviews trusts;
- To add that OLS reviews all trusts, other than funeral trusts; and
- To clarify the process when forwarding a trust to MSBB for OLS review.

[MS 2011](#), Consideration of Income from a Medicaid Qualifying Trust Established on or before 8/10/93, is revised to remove that DMS reviews trusts. It is also revised to add that OLS reviews trusts.

[MS 2050](#), Transfer of Resources, is revised to remove that DMS reviews trusts. It is also revised to add that OLS reviews trusts.

[MS 3505](#), Qualifying Income Trust (QIT), is revised to remove that DMS must approve all QIT's. It is also revised to add that DCBS field staff must complete form MA-8, QIT Checklist, once a QIT is returned.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to incorporate the new poverty level income limits.

[MS 4330](#), Financial Eligibility, is revised to incorporate the new income limits for Qualified Disabled Working Individuals (QDWI).

[MS 4455](#), Income Limits for Medicare Savings Plan, is revised to incorporate the income limits for 2015.

[MS 4460](#), Medicare Savings Program Income, is revised to incorporate the changes in how income is considered with a spouse.



Division of Family Support

Operation Manual  
Transmittal Letter No. 483  
March 9, 2015

Subject: Ethics Policy for Family Support Employees

This OMTL is created to add MS 0015, Ethics Policy for Family Support Employees to Volume I.

Volume I

The [Table of Contents](#) has been revised to add the new MS 0015, Ethics Policy for Family Support Employees.

[MS 0015](#), Ethics Policy for Family Support Employees, is created to provide the ethics policy for all Family Support staff.

Subject: Volume III Revisions related to Terminology Changes and Delink

### Volume III

With this OMTL the following changes are made to the manual sections contained in this OMTL. The sections are revised with one or more of the following changes:

- K-TAP is changed to KTAP;
- The phrase "specified relative" is changed to "parent";
- The phrase "nonresponsible relative" is changed to "caretaker relative"; and
- Information concerning medical assistance is removed.

The following manual sections are revised:

[MS 2003](#); [MS 2010](#); [MS 2110](#); [MS 2120](#); [MS 2125](#); [MS 2130](#); [MS 2155](#); [MS 2159](#); [MS 2160](#); [MS 2170](#); [MS 2175](#); [MS 2210](#); [MS 2215](#); [MS 2217](#); [MS 2220](#); [MS 2230](#); [MS 2240](#); [MS 2250](#); [MS 2260](#); [MS 2316](#); [MS 2322](#); [MS 2324](#); [MS 2326](#); [MS 2328](#); [MS 2332](#); [MS 2338](#); [MS 2346](#); [MS 2361](#); [MS 2377](#); [MS 2400](#); [MS 2410](#); [MS 2490](#); [MS 2500](#); [MS 2520](#); [MS 2610](#); [MS 2615](#); [MS 2625](#); [MS 2630](#); [MS 2710](#); [MS 2810](#); [MS 2840](#); [MS 2895](#); [MS 3000](#); [MS 3020](#); [MS 3030](#); [MS 3040](#); [MS 3060](#); and [MS 3080](#).

The [Table of Contents](#) is revised to remove MS 2339, MS 2825 and MS 5010 and change the title of MS 2346 to "Incarceration", and MS 5030 to Kinship Care Caretaker Relative Responsibilities.

[MS 2332](#), Enumeration, is revised to remove the reference to "deemed eligible newborns".

MS 2339, Third Party Liability, is obsolete as it pertains to Medical Assistance policy.

[MS 2346](#), Penal Institution, is renamed Incarceration, and reworded for clarity.

[MS 2410](#), Excluded Resources, is revised to clarify that federal tax refunds and EITC payments are excluded for 12 months from the month of receipt.

[MS 2420](#), Countable Resources, is revised to clarify that state tax refunds are countable and state EIC payments are countable beginning the second month of receipt.

[MS 2490](#), Transferred Liquid Resources, is revised to delete policy concerning KTAP cases with Medicaid vendor payments.

[MS 2710](#), Wages, is revised to update the method of verification for AmeriCorps Vista income. We no longer send a written request for the verification. The client can provide the verification by accessing the "my.ameriCorps portal" account.

MS 2825, Gross Income, is obsoleted as it duplicates information found in MS 2810.

[MS 2895](#), Ineligibility Period Shortened, is revised to delete item C.5.

[MS 3670](#), Incapacity and the Unemployed Parent, is revised to remove the reference to "W" and "C" cases. "W" is replaced by "UP". "C" is replaced with KTAP in the incapacity category.

The following sections are revised to change "caregiver" to "caretaker relative":

[MS 5000](#); [MS 5030](#); [MS 5040](#); [MS 5055](#); [MS 5060](#); [MS 5070](#); [MS 5090](#) and [MS 5100](#).

MS 5010, KC Application Process, is obsolete as no new applications for Kinship Care have been accepted since 3/31/13.

The other Volume III manual sections not included in this OMTL will be revised in a future OMTL.

#### Volume IIIA

[MS 4750](#), Applying the KWP Sanction, is revised to replace the term "nonresponsible specified relative" with "caretaker relative". The reference to Medicaid eligibility is removed. The hyphen is removed from KTAP.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 481  
February 1, 2015

Subject: Miscellaneous Revisions to Volume I and Volume II

### Volume I

[MS 0030](#), Case Record, is revised to change the Hearings Branch to the Division of Administrative Hearings (DAH), for clarity, and for formatting.

[MS 0130](#), Documentation, is revised to change the Hearing Branch to DAH and to state that Program Inquiries from Central Office that address issues present in the case must be documented. It is further revised too add that Program Inquiries which address issues in the case are included in comments and for formatting.

[MS 0440](#), Administrative Hearing Overview, is revised to change the Hearings Branch to DAH and for formatting.

[MS 0450](#), The Hearing Process, is revised to clarify procedures about the telephonic prehearing conference. If the issue is not resolved and a hearing must be held, all evidence must be labeled as: Exhibit 1, 2, 3 or A, B, C, etc. Evidence must be submitted to DAH by email and mailed to the client at least 8 days prior to the scheduled hearing. It is further revised to instruct the worker to include the back page of every notice as evidence, including Kentucky Claims Debt Management System (KCD) notices, and to keep a back page in the office to make copies to include with a notice. It is also revised to change the Hearings Branch to DAH, change that the DAH contacts the Regional Contact instead of the Service Region Administrative Associate (SRAA), and for formatting.

[MS 0475](#), Hearing Time Frames, is revised to change the Hearings Branch to DAH and for formatting. It is further revised to remove the hyphen from 'KTAP'.

[MS 0490](#), Program Participation Pending the Hearings – SNAP, is revised to change the Hearings Branch to DAH and for formatting.

[MS 0495](#), Denial/Dismissal of Hearing Request, is revised to change the Hearings Branch to DAH, for clarity, and for formatting.

[MS 0500](#), Conduct of the Hearing, is revised to change the Hearings Branch to DAH and for formatting.

[MS 0510](#), Recommended Order, is revised to change language showing exceptions are no longer sent to the Commissioner and it is now issued through Cabinet for Health and Family Service (CHFS), Appeal Board of Public Assistance. Also, all exceptions are now sent to CHFS, Appeal Board for Public Assistance. It is further revised to change that the hearing office send a copy of the recommended order to the Regional Contact instead of the SRAA and to The Division of Family Support (DFS) Central Office instead of the appropriate policy section. It is also revised for clarity, formatting, and to remove the hyphen from 'KTAP'.

[MS 0515](#), The Final Order, is revised to change language showing the Commissioner no longer issues a final order and that it is now issued through the CHFS Appeal Board for Public Assistance. It is further revised to change that the final order is mailed to the Regional Contact instead of the SRAA and for clarity and formatting.

[MS 0520](#), Local Office Follow-Up To A Final Order, is revised to change language showing Commissioner no longer issues a final order and that it is now issued through CHFS Appeal Board for Public Assistance. It is further revised for formatting.

[MS 0530](#), Appeal To The Appeal Board, is revised to change language showing the appeal request is no longer sent to the Commissioner and that it is now sent to the CHFS Appeal Board of Public Assistance. It is further revised for clarity and formatting.

[MS 0545](#), Judicial Review of Appeal Board Decisions, is revised to change the Hearings Branch to DAH. It is further revised to update that DAH certifies the official hearing record and forwards it to the court, instead of requesting the case from the local office and forwarding to the Office of General Counsel. It is also revised for formatting.

[MS 0950](#), Claim Repayment Methods, is revised to clarify procedure on a special circumstance in reference to an open claim. The special circumstance will be applied to claim if appropriate. It is further revised to add that a monthly payment can be made in addition to a lump sum payment using form EBT-6, Claims Repayment Request, and to remove the option of using form EBT-61, EBT Benefits Account Adjustment Request, to make a lump sum payment on an existing claim. It is also revised to remove the hyphen from 'KTAP'.

[MS 1050](#), How To Process an Intentional Program Violation Claim, is revised to change the Hearings Branch to DAH and for formatting.

[MS 1070](#), Administrative Disqualification Hearings, is revised to change the Hearings Branch to DAH and to change form PAFS-79, Request for an Administrative Disqualification Hearing, to 'FS-79'. It is further revised for clarity and formatting.

[MS 1080](#), Administrative Disqualification Hearing Process Flow Chart, is revised to change language showing the Commissioner no longer issues a recommended order and it is now issued through CHFS Appeal Board for Public Assistance. It is further revised for clarity and for formatting.

[MS 1100](#), Local Office Procedures for Acting on Administrative Disqualification Hearing Final Order, is revised to change the Hearing Branch to DAH, to change form PAFS-79, Request for an Administrative Disqualification Hearing, to 'FS-79', and for formatting.

## Volume II

[MS 9035](#), DSNAP Electronic Benefit Transfer (EBT) Issuance, is revised to clarify that the first series of numbers on the EBT card is the card number and the second series of numbers is the last 6-digits of the EBT case number. It is further revised to instruct the worker on which numbers are entered on KAMES when approving a DSNAP application, for clarity, and for formatting.

Subject: Update Volume IVA regarding new Managed Care Organizations and coverage areas

Volume IVA

[MS 1342](#), Managed Care Definitions, is revised to add Humana and Anthem (not in Region 31) to the list of Managed Care Organizations.

[MS 1343](#), Managed Care Enrollment, is revised to add Humana and Anthem (not in Region 31) to the list of Managed Care Organizations.

[MS 1345](#), Managed Care Providers, is revised to add Humana and Anthem (not in Region 31) to the list of Managed Care Organizations.

[MS 3460](#), Countable Income for Patient Liability Determination, is revised to remove that Kentucky has no state-operated veteran's facilities that accept Medicaid.

Subject: Medicaid Standards for 2015

This OMTL is created to incorporate the new Medicaid income and resource standards for 2015.

Individuals with Social Security and SSI income will receive a 1.7% cost of living increase in those benefits. The Medicare Part B (SMI) premium is unchanged of \$104.90.

#### Volume IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the following standards:

- The Supports for Community Living (SCL) waiver standard is increased to \$4,394;
- The Community Spouse Resource Allowance minimum is increased to \$23,844 and the maximum to \$119,220;
- The Community Spouse Income Allowance maximum is increased to \$2,980;
- The Personal Needs Allowance for Waiver/Non-Institutionalized Hospice to \$753;
- The Special Income Standard for waiver and nursing facility cases is increased to \$2,199;
- Blind or Disabled Child Allocations:
  - The ineligible sibling allocation is increased to \$367;
  - The Parent Allocation for Unearned Income is increased:
    - One Parent \$773
    - Two Parent \$1,140
  - The Parent Allocation for Earned Income is increased:
    - One Parent \$1,591
    - Two Parents \$2,325
- The Medicaid Works unearned income limit is increased to \$753 (the SSI standard of \$733 plus the SSI \$20 general exclusion).

[MS 1975](#), Recognition of an Institutionalized Individual's Homestead Resources, is revised to increase the home equity limit to \$552,000.

[MS 2080](#), Consideration of Transferred Resources, is revised to increase the transfer of resource factor to \$199.46 per day. It is further revised for clarity.

Division of Family Support

Operation Manual  
Transmittal Letter No. 479  
January 21, 2015

[MS 2130](#), Resource Assessment, is revised to increase the home equity limit to \$552,000.

[MS 2135](#), Community Spouse Resource Allowance Calculation, is revised to increase the community spouse minimum (\$23,844) and maximum (\$119,220) resource allowances. It is further revised for clarity.

[MS 3480](#), Deductions and Allowances, is revised to increase the waiver services retained monthly PNA to \$753.00.

[MS 3550](#), LTC Individual with Community Spouse, is revised to increase the special income standard to \$2,199 and the maximum community spouse income allowance to \$2,980. Additionally, the phone standard was corrected to \$34 which was effective 10/1/14.

[MS 3910](#), Medicaid Works Application, is revised to increase the Substantial Gainful Activity (SGA) income amounts.

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is revised to increase the Substantial Gainful Activity (SGA) income amounts.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to raise the unearned income limit.

[MS 4450](#), Resource Limits for Medicare Savings Program, is revised to increase the resource amount for an individual to \$7,280 and a couple to \$10,930.

[MS 4670](#), SSI Financial Standards, is revised to increase the income amounts for an individual to \$733 and a couple to \$1,100.

[MS 4910](#), SSP Standards, is revised to increase the Personal Care Home, Family Care Home, Caretaker Services standard amounts. It is further revised to add Community Integration Supplementation (CIS) standard amount.



## Division of Family Support

Operation Manual  
Transmittal Letter No.478  
December 1, 2014

Subject: Various Updates Due to the Incorporation of the Business Process Redesign (BPR).

### Volume I

The [Table of Contents](#) is revised to change the name of the "IEVS Overview" section to "IEVS, System Matches, and Report Matches Overview", and to change the title of MS 0675 from "Resolving IEVS Discrepancies" to "Resolving Match Discrepancies".

[MS 0180](#), Viewing of Case Record Material by Recipients and Representatives, is revised to clarify that a client can contact any local office to request copies of case records and to conduct a case record inspection. It is further revised to replace "recipient" with "client" and for formatting.

[MS 0280](#), Local Office Responsibilities, is revised to add the supervisor is responsible for signing the EBT-5 at the end of each month.

[MS 0290](#), Security of EBT Cards, is revised to clarify when mail indicator "O" is to be used as well as the timely destruction date of EBT cards not picked up after 30 days. It is further revised to clarify the procedure in dealing with an EBT card that is received in an incorrect county, as well as updating who can act as Employee B when issuing EBT cards. It is also revised for clarity and formatting.

[MS 0330](#), EBT Inquiry, is revised to update procedural instructions on gaining access to the JP Morgan Kentucky EFS Security system. It is further revised for clarity and formatting.

[MS 0675](#), Resolving Match Discrepancies, is revised to change the manual section name from "Resolving IEVS Discrepancies" to "Resolving Match Discrepancies". It is further revised to include information on how to read the PARIS Veterans Match – Individual Summary report, to update instructions due to the BPR and for clarity. It is also revised to clarify that Computer Matching Data is IRS (Computer Matching Data) and what information from BENDEX is shown. It is also revised to remove the option of issuing a PAFS-2 when verification is requested, to instruct the worker to not act on a match after cut-off/negative action in the month prior to recertification, to utilize the question "Is contact needed to verify unclear information?" when there isn't enough information to enter the match on the system, and for clarity and formatting.

### Volume II

[MS 2060](#), Nonhousehold Members, is revised to clarify that a change in household composition must be verified.

[MS 2660](#), Center Responsibilities, is revised to add a returned EBT card must be logged onto the EBT-2 as received and for formatting.

Division of Family Support

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December 1, 2014

[MS 6340](#), Conducting Out-of-Office Interview, is revised to clarify that during a telephone interview, the worker asks the caller qualifying questions to ensure the identity of the client, such as first and last name, case number, date of birth, or social security number. It is further revised to instruct that "EX" is to be typed in the 'Notes' section of the RFI and written on the top of each page of the application, when a case is expedited and for clarity.

[MS 6750](#), Acting On Changes Which Increase Benefits, is revised to remove the reference to accepting client's statement (CS) as verification of adding a child as this is no longer correct.

[MS 7040](#), Verification of Changes, is revised for clarity and to add that verification is required for a change in household composition.

Subject: Prearranged Funeral Agreement Updates

This OMTL is created as the Department for Medicaid Services (DMS) is no longer reviewing prearranged funeral contracts over \$10,000. It is also created to incorporate policy that the Department of Community Based Services (DCBS) workers must review **ALL** prearranged funeral agreements, regardless of the amount of funding, and complete the appropriate checklist for each funding source.

Volume IV

[MS 3620](#), Trusts, is revised to remove funeral trusts under \$10,000 as DMS reviews all trusts. DMS no longer reviews funeral trusts over \$10,000.

Volume IVA

[MS 1372](#), Adult MA Interview Process, is revised:

- To remove the criteria that DMS reviews prearranged funeral contracts over \$10,000; and
- To add that **ALL** prearranged funeral agreements, regardless of the amount of funding, must be reviewed and the appropriate checklist must be completed by the worker and scanned into the Electronic Case File (ECF). If the prearranged funeral contract has a combination of funding sources, a checklist is required for each source of funding.

[MS 1380](#), Adult Medicaid Documentation, is revised:

- To remove the criteria that DMS reviews prearranged funeral contracts over \$10,000; and
- To add that to document that appropriate forms such as MA-33 Supp. A, Checklist for Prearranged Funeral Contract funded by Cash, MA-33 Supp. B, Checklist for Prearranged Funeral Contract funded with Life Insurance, and MA-33 Supp. C, Checklist for Prearranged Funeral Contract funded by a Life Insurance Policy Purchased through the Funeral Home, are complete.

[MS 1470](#), Standard of Promptness, is revised to remove funerals over \$10,000 from good cause number 4.

[MS 1880](#), Excluded Resources, is revised to remove the criteria that if the prearranged funeral contract is over \$10,000 and it is a vendor payment case, the prearranged funeral contract must be sent to MSBB with form MA-33, DCBS MSBB DMS Review/Cover Sheet, for DMS review as DMS is no longer reviewing prearranged funeral contracts over \$10,000.

[MS 2010](#), Trusts, is revised to remove funeral trusts under \$10,000 as DMS reviews all trusts. DMS no longer reviews funeral trusts over \$10,000.

[MS 2031](#), Overview of Burial Reserves, is revised:

- To remove that if a burial reserve is over \$10,000 it must be forwarded to MSBB for DMS approval or denial; and
- To add that **ALL** prearranged funeral agreements, regardless of the amount of funding, must be reviewed and the appropriate checklist must be completed by the worker and scanned into ECF.

[MS 2032](#), Burial Reserve Definition, is revised:

- To remove if the prearranged funeral contract is over \$10,000 it must be forwarded to MSBB for DMS review;
- To remove that an application must remain pending until the approval or denial letter is received from MSBB as workers must review **ALL** prearranged funeral agreements and complete the appropriate checklist; and
- To add that **ALL** prearranged funeral agreements, regardless of the amount of funding, must be reviewed and the appropriate checklist must be completed by the worker and scanned into ECF.

[MS 2037](#), Prearranged Funeral Contracts, is revised:

- To remove if the funding of the prearranged funeral contract exceeds \$10,000, all documentation must be forwarded to MSBB for DMS review;
- To remove that applications cannot be processed and must be held pending until receipt of the DMS review as workers must review **ALL** prearranged funeral contracts and complete the appropriate checklist;
- To add that for **ALL** prearranged funeral agreements funded by cash, complete form MA-33 Supp. A, Checklist for Prearranged Funeral Agreement funded by Cash;
- To add that for **ALL** prearranged funeral agreements funded with life insurance, complete form MA-33 Supp. B, Checklist for Prearranged Funeral Agreement funded with Life Insurance;
- To add that for **ALL** prearranged funeral contracts funded by a life insurance policy purchased through the funeral home, complete form MA-33 Supp. C, Checklist for Prearranged Funeral Contracts funded by a Life Insurance Policy Purchased through the Funeral Home;
- To add that for prearranged funeral contracts funded by a combination of sources, a checklist is required for each source of funding;
- To clarify that the detailed itemized statement of goods and services must be signed by both the funeral home and the client. The signature can be from the client, the spouse, Power of Attorney (POA), or the legal guardian;
- To add face value (FV) to the verification section for prearranged funeral contracts funded by life insurance; and
- To add receipt as a verification source of payment.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 476  
October 1, 2014

Subject: 6 Month SNAP Certification and Various Revisions in Volume I and Volume II

### Volume I

[MS 0140](#), Acronyms, is revised to replace Nutrition Assistance and Accountability Branch (NAAB) with Nutrition Accountability Branch (NAB) and SNAP Benefits with SNAP. It is further revised for formatting.

[MS 0300](#), Central Office Responsibilities, is revised to state the Division of Family Support (DFS) is responsible for all Central Office issuance activities. It is further revised for formatting and grammar.

[MS 1090](#), Client Request for Redetermination on Claims Established Prior to 10/1/92, is revised to show the former Hearing Branch is now the Division of Administrative Hearings (DAH), to remove reference to obsolete form PAFS-25 for referring a claim and to indicate form FS-79 Request for an Administrative Disqualification Hearing and supporting evidence is scanned and emailed to the DAH. It is further revised for formatting.

[MS 1240](#), Medical Assistance Claims, is revised to remove reference to obsolete form PAFS-116, to change the number of the Medical Assistance Eligibility Summary form from OIG-1 to Claim/MA-1, to clarify MA claims are referred through the SharePoint site, and for formatting.

### Volume II

[MS 2010](#), Relatives as a Separate Household, is revised to note that if a household consists of a child, the child's parent(s), and another adult that has custody of the child, they all have to be included in the same SNAP case. It is further revised for formatting and grammar.

[MS 3810](#), Allowed Representatives, is revised for clarity on authorized representatives verifying information if applying on behalf of a household and to add if an authorized representative is applying on behalf of a household, the initial application must be conducted face-to-face. It is further revised to add that the authorized representative can complete the recertification by telephone once proper documentation has been attained and for formatting.

[MS 6000](#), Initial Contact-Responsibilities, is revised to add an individual is to be advised of the call service center and telephone number on initial contact.

[MS 6120](#), Withdrawal of Application, is revised to remove reference to contacting client if withdrawal of application is requested by telephone and to add how a worker may verify identity of a client, if the client requests withdrawal of an application by telephone.

[MS 6330](#), Criteria For Out-Of-Office Interview, is revised to add initial applications completed by authorized representatives must be completed face-to-face and to clarify the example referencing Drug Addiction and Alcohol treatment facilities.

[MS 6480](#), SNAP 6-Month Review Overview, is revised to state form FS-2, SNAP 6-month Review, is no longer automatically generated during the 5<sup>th</sup> month of a household's certification period for household that consist of all elderly or disabled members with no earned income, and households certified for only six months. If an elderly/disabled household without earned income is changed to include a non-elderly/disabled member or earned income prior to issuance of benefits for the sixth month of the certification period, then the household will require a 6-month review. It is further revised for formatting and clarity.

[MS 6600](#), Assigning Certification Periods, is revised to change the 12-month certification period to 6 months for all households except households consisting of all non-elderly/disabled households. It is further revised for formatting, grammar, and clarity.

[MS 6735](#), Worker Requirements for Acting on Changes in Medical Expenses, is revised to update the certification period to 6 months in the example. It is further revised for formatting, grammar, and clarity.

[MS 7090](#), Method of Providing Verification, is revised to remove Electronic Income Verification (EIV) sites, as it is used by the caseworker, not the household, as a means to provide verification. It is further revised for formatting and grammar.

Division of Family Support

Operation Manual  
Transmittal Letter No. 475  
October 1, 2014

Subject: Annual Cost-of-Living Changes for Utility and Income Standards, Shelter Deductions

Volume II

[MS 5000](#), Resource Maximums, is revised to reflect an increase in the maximum SNAP resource limit.

[MS 5200](#), Income Eligibility Scale, is revised to reflect the annual COLA changes to the maximum and net income limits.

[MS 5400](#), Deductions, General, is revised to reflect the annual COLA changes to the standard deduction for all households.

[MS 5470](#), Allowable Shelter Deductions is revised to reflect the updated surcharge added to insurance premiums.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to remove client statement as an acceptable verification source and for clarity.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to clarify that LIHEAP and other utility assistance payments must be received at the household's current residence to qualify for the SUA deduction and to update the SUA amount to \$299. It is further revised to remove the effective date of the updated HEPRE105 RPT HEAP MASTER list, as the effective date is yet to be determined.

[MS 5498](#), Non-Heating and Non-Cooling Costs/ Basic Utility Allowance, is revised to reflect the updated BUA and telephone standard.

[MS 5800](#), Calculation of Allotment, is revised to reflect the annual COLA change to the Maximum Shelter Deduction, change to the minimum allotment, and to revise the maximum SNAP allotment for the household size.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 474  
September 1, 2014

Subject: DETER Referrals, SNAP Trafficking and Retailer Fraud, and Food and Nutrition Service (FNS) Whistleblower complaints.

### Volume I

[MS 0900](#), Determining Eligibility Through Extensive Review, is revised to remove Meade County and to add Grayson and Hardin Counties to the list of counties in which DETER operates, revise the process to pend an application using the question "IS APP/RECERT READY TO DISPOSE?" and reword how to request a 15 day extension for clarity.

[MS 0910](#), Referral of Claims to the Office of Inspector General (OIG), is revised to increase the threshold of trafficking claims referred to OIG to \$1,000 and SNAP claims involving unreported wages totaling \$7,500 or more can be referred to OIG.

[MS 0920](#), Fraud "Hotline" Referrals, is revised to add procedures for investigating FNS whistleblower complaints and clarify an example.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to expand the definition of trafficking, increase the threshold of trafficking claims referred to OIG to \$1,000, to include the use of a new KAMES question, "Is contact needed to verify unclear information?" in the investigation of SNAP trafficking complaints, and clarify an example.

[MS 1210](#), How to Calculate a Cash Assistance and Other Related Program Claim, is revised to clarify that form PAFS-61, Disposition of Returned Check, is used for returned checks to prevent a claim from being established and for formatting.



Subject: Child Care Assistance Program

Beginning August 4, 2014, low income families may apply for the Child Care Assistance Program (CCAP) for all their children, not just children that have special needs.

Volume I

[MS 0610](#), Overview of the Child Care Assistance Program, and [MS 0620](#), Child Care Assistance Program Eligibility Requirements, are revised to remove the restriction that CCAP can only be received for a child with a special need. In addition, the gross income must be equal to or less than the CCAP income limits. These income limits also apply to KTAP cases that are discontinued and the individual is working and needs child care.

Also, MS 0610 is revised to add that referrals and changes are submitted via e-mail to the Division of Child Care mailbox - CHFS DCBS [DCC85@ky.gov](mailto:DCC85@ky.gov) and to delete the reference to form PAFS-628, Exchange of Information.

Volume IIIA

[MS 5270](#), Approval for CCAP, is revised to remove the restriction that CCAP can only be received for a child with a special need and to add that referrals and changes are submitted via e-mail to the Division of Child Care mailbox - CHFS DCBS [DCC85@ky.gov](mailto:DCC85@ky.gov).

Subject: Changes to MAP-14

This OMTL is created to remove the 90-day authorization requirement from form MAP-14, Authorized Representative (AR). The signature on the form is valid from the date of the signature until the applicant or AR rescinds the form or the case is discontinued. If the case discontinues due to agency error, a new MAP-14 is not required. It is also created to remove the requirement that field staff are required to contact the applicant to confirm the information provided by the AR during the interview.

#### Volume IV

The Table of Contents is revised to remove MS 1330, Authorized Representative (AR), as this manual section is obsolete and will be incorporated into Volume IVB in a forthcoming OMTL.

MS 1330, Authorized Representative (AR), is obsolete as this manual section will be incorporated into Volume IVB in a forthcoming OMTL.

#### Volume IVA

[MS 1371](#), Authorized Representative (AR), is revised:

- To remove the 90-day authorization requirement from form MAP-14. The signature on form MAP-14 is valid from the date of the signature until the applicant or AR rescinds the form or the case is discontinued. If the case discontinues due to agency error, a new MAP-14 is not required;
- To remove the requirement that field staff are required to contact the applicant to confirm the information provided by the AR during the interview; and
- To clarify that an applicant can only have one AR at a time.

[MS 1420](#), Scope of Investigation, is revised to remove the statement advising field staff that when an application is made by an applicant's AR, they are required to contact the applicant to confirm all information. It is also revised for formatting.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 471  
August 1, 2014

Subject: Various Revisions to Incorporate New Trafficking, Claims and Other Procedures

### Volume I

[MS 0290](#), Security of EBT Cards, is revised to clarify the separation of duties between Employee A and B.

[MS 0450](#), The Hearing Process, is revised to add new procedures for acting on Hearing requests with the Business Process Redesign. The manual is further revised to provide the new address and fax number for the Division of Administrative Hearings.

[MS 0830](#), Field Responsibilities for Claims, is revised to update the phone number for the Claims Management Section. The manual section is further revised to update the phone number for the Claims Management Section and responsibilities in trafficking referrals.

[MS 0870](#), General Procedures for All Claims, is revised to update references to collateral contacts being used to obtain information when verifying a claim.

[MS 0920](#), Fraud "Hotline" Referrals, is revised to include the use of a new KAMES question in the investigation of fraud reports, "Is contact needed to verify unclear information?"

### Volume II

[MS 2000](#), Definitions, is revised to add that same-sex couples must be considered married and part of the same household for SNAP eligibility purposes if their marriage is recognized in the jurisdiction where the marriage was celebrated. It is further revised for grammar and to add that a Support Services Worker is responsible for all items received by mail, fax "or other electronic means" and also clarify the responsibilities of the Intake Worker.

[MS 3500](#), Residency, is revised to instruct that households may only use the local office address for a mailing address as a last resort.

[MS 5440](#), Disallowable Medical Deductions, is revised to include medical marijuana as a disallowable medical deduction and for formatting.

[MS 6707](#), Simplified Reporting-Acting on Changes, is revised to include the use of the new KAMES question "Is contact needed to verify unclear information?" in acting on changes. It is further revised for grammar and clarity.

[MS 7060](#), Household Cooperation, is revised to add the requirement of households cooperating with fraud/trafficking investigations.

Division of Family Support

Operation Manual  
Transmittal Letter No. 470  
July 21, 2014

Subject: 2014 Spousal Impoverishment Standards

This OMTL is created to incorporate the 2014 Spousal Impoverishment Standards that were effective July 1, 2014.

Volume IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to increase the community spouse income allowance minimum to \$1967, community spouse minimum shelter allowance to \$590 and family member income allowance standard to \$1967.

[MS 2190](#), Income Limits, is revised to incorporate the new converted MA Scale for Adult Medicaid from \$217 to \$235 for a household of one and \$267 to \$291 for a household of two.

[MS 3550](#), LTC Individual with Community Spouse, is revised to increase the community spouse income allowance minimum to \$1967, community spouse minimum shelter allowance to \$590 and family member income allowance standard to \$1967.

Division of Family Support

Operation Manual  
Transmittal Letter No.469  
July 15, 2014

Subject: Verification of Identity Requirements

Volume III

[MS 2290](#), Verification of Identity Requirements, is revised to clarify what documentation can be used to verify identity. Data matches were removed as documentation.

Subject: Change to Community Integration Supplementation (CIS)

This OMTL is created to remove the requirement for a designated care coordinator for CIS. An individual may choose to have a designated care coordinator but it is no longer an eligibility condition for CIS.

#### Volume IVA

[MS 4900](#), State Supplementation Payments Overview, is revised to clarify that the designated care coordinator or other provider may be someone that an applicant/recipient would pay for services.

[MS 4930](#), Application Process for State Supplementation, is revised to clarify that a designated care coordinator or other provider may act as authorized representative and sign the State Supplementation application for a CIS individual.

[MS 5055](#), Community Integration Supplementation (CIS), is revised to remove the requirement for a designated care coordinator as it is no longer necessary to be eligible for CIS. The individual is required to have care and support needs. Care and support needs must be verified at the initial eligibility determination, whether by application or case change, annual review, and at recertification. It is also revised to clarify that individuals must provide a written statement at application, annual review, and recertification verifying that they have a serious mental illness.

[MS 5060](#), Caretaker Services, is revised to clarify that the caretaker statement and medical provider statement are required at application, annual review, and recertification.

[MS 5235](#), Return of State Supplementation Checks, is revised to clarify that a designated care coordinator or other provider may return a State Supplementation check on behalf of a recipient.

Division of Family Support

Operation Manual  
Transmittal Letter No. 467  
May 20, 2014

Subject: Consideration of Income for Medicare Savings Plan

This OMTL is to clarify how income of a couple is to be considered in the Medicare Savings Plan program and various changes.

Volume IVA

[MS 1900](#), Life Expectancy Table, has been revised to include the new percentage amounts for 2009.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to incorporate the new poverty level income limits.

[MS 4330](#), Financial Eligibility, is revised to incorporate the new income limits for QDWI (Qualified Disabled Working Individual).

[MS 4395](#), Application for Medicare Savings Program through Low Income Subsidy (LIS), is revised to remove resource amounts as they are the same as QMB, SLMB, and QI1.

[MS 4450](#), Resource Limits for Medicare Savings Program, is revised to incorporate the changes in how resources is considered with a spouse. It is further revised to incorporate that resources for a married individual is compared to the household size of two, regardless if the spouse of the applicant is ineligible or eligible.

[MS 4455](#), Income Limits for Medicare Savings Plan, is revised to incorporate the income limits for 2014.

[MS 4460](#), Medicare Savings Program Income, has been revised to incorporate the changes in how income is considered with a spouse. It is further revised to incorporate that income for a married individual is compared to the household size of two, regardless if the spouse of the applicant is ineligible or eligible.

Division of Family Support

Operation Manual  
Transmittal Letter No. 466  
May 20, 2014

Subject: Railroad Retirement Update

Volume I

[MS 0590](#), Federal Benefit Changes, is revised to update the address for the Louisville Railroad Retirement office. It is also revised to instruct workers to obtain verification for Social Security benefits from the client instead of the district Social Security Administration office.

Volume IVA

[MS 1353](#), Eligibility For Entitled Benefits, is revised to update the address for the Louisville Railroad Retirement office.



Division of Family Support

Operation Manual  
Transmittal Letter No. 465  
May 13, 2014

Subject: Confidentiality and Use of E-mail

Volume I

[MS 0150](#), Confidentiality Requirements, is revised to provide specific instructions regarding the use of e-mail. E-mail cannot be used to communicate with clients. When communicating with agencies outside the CHFS e-mail system, the e-mail must be encrypted if the e-mail includes Personal Health Information (PHI) including client's name, SSN, birthdate or case number. Before an outside agency can release information records, the outside agency must complete form DCBS-2, Informed Consent and Release of Information and Records, and have the client sign the form.

Division of Family Support

Operation Manual  
Transmittal Letter No. 464  
May 6, 2014

Subject: Minimum LIHEAP receipt amount to be eligible for the SUA deduction due to the provision of the Farm Bill requiring immediate implementation

Volume II

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to state that households must have received a payment greater than \$20 annually, in the current month or in the immediately preceding 12 months, in energy assistance payments through LIHEAP or other agencies to be eligible for the SUA deduction. It is further revised to note that the HEAP MASTER list will be updated effective 9/1/14 to only include recipients in the listing that have received a payment(s) totaling greater than \$20 in the last 12 months, and to include that if the client states they have received a payment(s) totaling greater than \$20 annually request verification, such as their assistance receipt or a collateral contact to the assistance agency, before allowing the SUA deduction. The client can choose to verify a heating/cooling expense and not verify the total amount of energy assistance payments, if he/she prefers.

Subject: Clarify potential SSI applications for children. Volume IVB was created to incorporate the policy and procedures for determining eligibility for Modified Adjusted Gross Income (MAGI) Medicaid, Advanced Premium Tax Credits (APTC), Cost Sharing Reductions (CSR), and Qualified Health Plans (QHP) as set forth by the Patient Protection and Affordable Care Act effective 1/1/2014.

#### Volume IVA

[MS 4660](#), Potential SSI Applications, is revised to clarify that disabled children are not required to apply for SSI benefits if child or parent income exceeds 150% FPL.

#### Volume IVB

The Table of Contents has been revised to add the following manual sections:

- [MS 1460](#), Timely Notice of Decrease/Discontinuance;
- [MS 1490](#), Reasons for Negative Action;
- [MS 1900](#), Introduction to Managed Care;
- [MS 1901](#), Managed Care Providers;
- [MS 1902](#), Managed Care Definitions;
- [MS 1903](#), Managed Care Enrollment;
- [MS 2152](#), Criteria for Qualified Aliens;
- [MS 2645](#), Private Non-Profit Adoption Overview;
- [MS 2910](#), MAGI Income Scales;
- [MS 3150](#), MAGI Income Documentation;
- [MS 3160](#), Verification of No Income; and
- [MS 3180](#), MAGI Deductions

[MS 1460](#), Timely Notice of Decrease/Discontinuance, is created to update and incorporate MAGI Medicaid, APTC, CSR, and QHP denial and discountenance reasons issued by kynect on Form, Health Benefits Eligibility Notice."

[MS 1490](#), Reasons for Negative Action, is created to incorporate denial and discontinuance reasons associated with Insurance Affordability Programs (IAPs) and Qualified Health Plans (QHPs) on kynect.

[MS 1900](#), Introduction to Managed Care, is created to outline the purpose of managed care and those individuals that are exempt from enrollment.

[MS 1901](#), Managed Care Providers, is created in include available MCO providers and effective dates.

[MS 1902](#), Managed Care Definitions, is created to list pertinent definitions and contact numbers for available MCO's.

[MS 1903](#), Managed Care Enrollment, is created to outline the process for enrollment on kynect.

[MS 2150](#), Citizenship and Identity Requirements, is revised to clarify that for individuals to be eligible for MAGI Medicaid an individual must be a U.S. Citizen or meet Qualified Alien criteria. It is further revised to remove references to verification of identity as this is considered automatically verified upon documentation of Citizenship or Lawful Presence. This section is also revised to remove reference to SAVE process as kynect automatically performs this process via the Federal Hub.

[MS 2152](#), Criteria for Qualified Aliens, is created to define which individuals meet Qualified Alien criteria for MAGI Medicaid eligibility.

[MS 2350](#), Incarceration is revised to include that members that are residents of halfway house do not meet the definition of incarceration. This section is further revised to include those individuals under house arrest or subject to weekend jail do not meet the definition of incarcerated.

[MS 2645](#), Private Non-Profit Adoption Overview, is created to outline the process for adding eligible children pending adoption to kynect.

[MS 2900](#), MAGI Household Determination, is revised to clarify which members should be included in a household. This section is also revised to include specific examples of household situations for worker reference.

[MS 2910](#), MAGI Income Scales, is created to incorporate current federal poverty level (FPL) percentages and current income limits for MAGI Medicaid, APTC, and CSR.

[MS 3150](#), MAGI Income Documentation, is created to incorporate MAGI income types and possible verification sources.

[MS 3160](#), Verification of No Income, is created to state that client statement is acceptable on no income for MAGI, unless there is reason to doubt.

[MS 3180](#), MAGI Deductions, is created to incorporate MAGI Deductions types and suggested verification sources.

[MS 4300](#), Qualified Health Plans, is revised to add that Medicare Recipients are not eligible to purchase a health insurance plan through kynect. Open enrollment section is revised to update open enrollment dates to 11/30/14-2/15/15. Special enrollment section is revised to include definitions of "enrollee" and "qualified individuals."

## Division of Family Support

Operation Manual  
Transmittal Letter No. 462  
May 1, 2014

Subject: Shelter Expenses, Scheduling Appointments and Clean Up

### Volume I

[MS 1020](#), Trafficking And Retailer Fraud, is revised to clarify that trafficking acts include intentionally reselling or exchanging eligible food purchased with SNAP benefits for the purpose of obtaining cash and/or other considerations, or retailers knowingly purchasing products originally purchased with SNAP benefits in exchange for cash or other considerations other than eligible food. It is also revised to add examples.

### Volume II

[MS 5470](#), Allowable Shelter Deductions, is revised to add a reference to MS 7050 for acceptable sources of verification.

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to clarify if a telephone expense is used as part of the BUA, it must be verified. It is also revised to state if a telephone expense is their only utility expense, the client's statement is accepted as verification.

[MS 6100](#), Filing an Application, is revised to remove the reference to applications taken in a county other than the county where the client resides, as this no longer applies. It is also revised to add that applications may be submitted by telephone.

[MS 6102](#), Taking the Application, is revised to remove the reference to applications taken in a county other than the county where the client resides, as this no longer applies.

[MS 6103](#), Who Signs the Application, and [MS 6300](#), Requirement for Interview, are revised to add that by signing an application, the applicant is attesting that they understand they are responsible for ensuring all the information they provide regarding the household is accurate.

[MS 6210](#), Recertification Interviews, is revised to incorporate policy regarding recertification interview scheduling.

[MS 6740](#), Worker Requirements for Acting on All Other Changes, is revised to clarify that reversion does not apply to shelter deductions and to make corrections to example #2. It is also revised to clarify policy on when a change is effective.

[MS 6765](#), Acting on Change of Address, is revised to remove the reference to the shelter deduction workaround.

[MS 7050](#), Sources of Verification, is revised to clarify that the primary source of verification for shelter expenses (the provider of the service) should be explored first before using an alternate source and for formatting.

Subject: KWP Disqualifications, Child Support, and TMA

Volume III

[MS 2393](#), Redetermination of Incapacity, is revised to clarify that for a redetermination of KWP good cause, form KW-100, Kentucky Works Contact Letter, is sent to request the redetermination, and if the client fails to respond, form KW-204, Conciliation Notice, is sent.

[MS 2857](#), Time-limited Deductions, is revised to clarify that TMA eligibility is only explored if Medicaid is issued by KAMES.

[MS 3080](#), Penalty for Noncooperation, is revised to clarify that cooperation with Medical Support Enforcement (MSE) is mandatory whether Medicaid is issued by KAMES or kynect.

Volume IIIA

[MS 4600](#), Options for KWP Activities, is revised to state form KW-105, KWP Referral Form, is generated by OTIS when a referral is made to an agency contracted with the Department for Community Based Services.

[MS 4750](#), Applying the KWP Sanction, is revised to remove the MA disqualification information as it is no longer part of the KWP noncooperation penalty.

[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases, is revised to state that if applied, the 431 KWP disqualification is deleted from KAMES when a KWP sanction is deleted or cured.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to clarify that before the sanction is cured, the required participation must be met within a 15 calendar day period and the activity is expected to continue.

[MS 5270](#), Approval for CCAP, is revised to state form DDC-85A, Approval for Child Care Assistance, is only completed after the client has completed the assessment and TAA and has been placed in an activity. The examples are also revised for clarity.

Volume IV

[MS 2900](#), TMA Introduction, [MS 2910](#), Eligibility Requirements, and [MS 2920](#), Transfer to TMA, are revised to state that if the Medicaid is issued by KAMES, TMA eligibility is determined.

Subject: State Supplementation Updates

This OMTL has been created to incorporate the new State Supplementation Classification called Community Integration Supplementation (CIS) to policy. It is further revised to change the acronym "SSP" to State Supplementation, as "SSP" is the acronym for Self Service Portal in MAGI Medicaid.

Volume IVA

The Table of Contents is revised to change the following titles:

- [MS 4900](#) to State Supplementation Overview;
- [MS 4910](#) to State Supplementation Standards;
- [MS 5050](#) to Personal Care Home (PCH) and Family Care Home (FCH); and
- [MS 5235](#) to Return of State Supplementation Checks

The Table of Contents is also revised to add MS 5055, Community Integration Supplementation (CIS).

[MS 1010](#), Adult MA Definitions, is revised to incorporate CIS to the State Supplementation definition. It is also revised to change "SSP" to State Supplementation.

[MS 1065](#), Co-Pay for Medicaid Recipients, is revised to add CIS as being exempt from co-payment requirements.

[MS 2730](#), Allowable Spend Down Medical Expenses, is revised to add CIS services as an allowable medical expense used in determining spend down eligibility if the individual is paying the private pay rate.

[MS 2890](#), SCL Case Action, is revised to:

- Add CIS as individuals that may receive SCL if patient status for SCL is met;
- Change "SSP" to State Supplementation;
- Remove PA-62 system as it is no longer used; and
- Add that a PRO-Certification is needed for SCL admissions.

[MS 2990](#), HCBS Case Action, is revised to change "SSP" to State Supplementation. It is also revised to add CIS as eligible for HCBS.

[MS 3030](#), ABI Long Term Care (LTC) Waiver, is revised to change "SSP" to State Supplementation. It is also revised to add CIS as eligible for ABI LTC Waiver.

[MS 4155](#), Acronyms and Definitions, is revised to add CIS to the State Supplementation definition. It is also revised to change "SSP" to State Supplementation.

[MS 4900](#), SSP Overview, is revised to change the title to State Supplementation Payments Overview. It is also revised to add CIS as one of the categories of State Supplementation.

[MS 4910](#), SSP Standards, is revised to change the title to State Supplementation Standards.

[MS 4930](#), Application Process for State Supplementation, is revised to add the designated care coordinator as an individual who can sign the application. It is also revised to change "SSP" to State Supplementation.

[MS 5050](#), PCH and FCH, is revised to change the title to Personal Care Home (PCH) and Family Care Home (FCH). It is also revised to clarify what PCH and FCH are and how to find a listing of PCH's on KAMES.

[MS 5055](#), Community Integration Supplementation (CIS), is created to explain who is eligible to receive CIS and the information that will be needed to process a CIS case.

[MS 5070](#), Temporary Stay in a Medical Institution for Non-SSI Recipients, is revised to add CIS payment as a medical deduction in the patient liability calculation if the stay in a nursing facility is temporary.

[MS 5235](#), Return of SSP Checks, is revised to change the title to Return of State Supplementation Checks. It is also revised to add the designated care coordinator as an individual who may return a State Supplementation check.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 459  
March 1, 2014

Subject: Changes in the Payment of GED and Nursing Test Fees and "W" Policy for Noncooperation with KWP

### Volume III

[MS 2001](#), K-TAP 60-Month Lifetime Limit, is revised only to correct a link to Safety Net from MS 2010 to MS 2025. The effective date of this section remains the same as policy and procedures did not change.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to remove the statement that K-TAP recertification period must be the same as the PA SNAP period.

[MS 3665](#), Unemployment Requirements, is revised to provide the new procedures conciliation and discontinuance for nonparticipation with KWP.

[MS 3667](#), UP Reapplication after Discontinuance for KWP Noncooperation, is revised to add information about the new question and denial/discontinuance codes added to KAMES which are used when processing a UP reapplication.

### Volume IIIA

[MS 4800](#), Unemployed Parent (UP) Participation, is revised to provide the new procedures for conciliation and discontinuance for nonparticipation with KWP.

[MS 5385](#), Authorization and Issuance, is revised to provide the new procedures for issuing payments for GED test fees. It is further revised to clarify that workers should not cancel form PA-32 if the form has not been returned.

[MS 5390](#), RN and LPN Licensing Authorization, is revised to provide the new procedures for issuing payments for nursing test fees.

Division of Family Support

Operation Manual  
Transmittal Letter No. 458  
February 1, 2014

Subject: Revisions to Full Family Sanction at Reapplication and K-TAP Application/Recertification Interviews

Volume III

[MS 2015](#), Full-Family Sanction at Reapplication, is revised to state that not only does the individual have to demonstrate compliance by participating for 15 calendar days but has to continue to participate the required hours.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to clarify that K-TAP/KWP recertification interviews must be face-to-face and cannot be initiated by telephone.

Subject: Incorporation of new MAGI Medicaid, APTC/CSR, and QHP rules effective 1/1/2014

Volume IVB is created to incorporate the policy and procedures for determining eligibility for Modified Adjusted Gross Income (MAGI) Medicaid, Advanced Premium Tax Credits (APTC), Cost Sharing Reductions (CSR), and Qualified Health Plans (QHP) as set forth by the Patient Protection and Affordable Care Act.

### Volume IVB

The Table of Contents is revised to add the following manual sections:

[MS 1200](#), Right to Apply, is created to incorporate policy changes associated with the ACA and update references to include the Health Benefit Exchange (HBE) and kynect and to provide contact information.

[MS 1212](#), Interview Process, is created to update the interview process in reference to MAGI Medicaid, APTC, CSR, and QHP on kynect.

[MS 1213](#), Who Signs the Application, is created to include information on appropriate signatures for applications for all Insurance Affordability Programs (IAPs) and QHP's.

[MS 1220](#), Entitled Benefits, is created to include that individuals are required to apply for entitled benefits for IAPs and QHPs and that client statement is acceptable verification of application.

[MS 1250](#), Case File Content, is created to incorporate required case file content for IAPs and QHPs.

[MS 1290](#), Changes, is created to specify that changes are required to be reported for all IAPs and QHPs within 30 days and includes updated references to kynect.

[MS 1500](#), Misrepresentation and Fraud, is created to specify to include worker actions in reference to reported fraud for IAPs and QHPs. This section also specifies that the Internal Revenue Service reconciles all APTC overpayments.

[MS 1530](#), Kyhealth Card, is created to incorporate that card is issued at all initial approvals on kynect, if the individual has not received Medicaid on KAMES or SDX in the prior three months, and upon client request.

[MS 1600](#), Retroactive Medicaid, is created to specify that effective 1/1/14 if an individual is technically and financially eligible during the month of application on kynect and incurred medical expenses in the 3 months prior to application, they are considered potentially eligible for retroactive benefits for MAGI Medicaid. Client statement is accepted for verification of medical expenses and retroactive coverage is issued only for those prior months the individual specifies an expense was incurred. This section also clarifies that retroactive coverage prior to 1/1/14 is determined on KAMES.

[MS 2650](#), Deemed Eligible Newborns, is created to specify that children are considered deemed eligible if the mother received MAGI or NON MAGI Medicaid benefits including SSI, Time Limited, and KTAP.

[MS 2660](#), Targeted Low Income Children, is created to specify that those children losing Medicaid benefits due to financial reasons during the conversion process to MAGI Medicaid may be eligible to receive an additional year. This does not include those children eligible in the P7 category when conversion occurs.

[MS 4360](#), Renewals for QHP, APTC, and CSR, is created to incorporate that the renewal process for these programs is initiated on September 1<sup>st</sup>, regardless of month of approval and any changes are effective January 1<sup>st</sup> of the following year. Individuals must authorize data checks via the Federal Hub either via the Self Service Portal (SSP) and Worker Portal (WP). If the individual has not authorized data checks, then a notice will be issued via kynect on September 1<sup>st</sup> stating that if authorization is not granted upon receipt of notice, benefits will terminate effective January 1<sup>st</sup>.

Subject: Medicaid Standards for 2014

This OMTL is created to incorporate the new Medicaid income and resource standards for 2014.

Individuals with Social Security and SSI income will receive a 1.5% cost of living increase in those benefits. The Medicare Part B (SMI) premium is unchanged of \$104.90.

#### Volume IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the following standards:

- The Supports for Community Living (SCL) waiver standard is increased to \$4,285;
- The Community Spouse Resource Allowance minimum is increased to \$23,448 and the maximum to \$117,240;
- The Community Spouse Income Allowance maximum is increased to \$2,931;
- The Personal Needs Allowance for Waiver/Non-Institutionalized Hospice to \$741;
- The Special Income Standard for waiver and nursing facility cases is increased to \$2,163;
- Blind or Disabled Child Allocations:
  - The ineligible sibling allocation is increased to \$361;
  - The Parent Allocation for Unearned Income is increased:
    - One Parent \$761
    - Two Parent \$1,122
  - The Parent Allocation for Earned Income is increased:
    - One Parent \$1,567
    - Two Parents \$2,289
- The Medicaid Works unearned income limit is increased to \$741 (the SSI standard of \$721 plus the SSI \$20 general exclusion).

[MS 1975](#), Recognition of an Institutionalized Individual's Homestead Resources, is revised to increase the home equity limit to \$543,000. It is further revised to incorporate additional requirements to verify effort to sell property when it is listed with a real estate agent.

[MS 2080](#), Consideration of Transferred Resources, is revised to increase the transfer of resource factor to \$196.52 per day. It is further revised for clarity.

[MS 2130](#), Resource Assessment, is revised to increase the home equity limit to \$543,000.

[MS 2135](#), Community Spouse Resource Allowance Calculation, is revised to increase the community spouse minimum (\$23,448) and maximum (\$117,240) resource allowances. It is further revised for clarity.

[MS 3480](#), Deductions and Allowances, is revised to increase the waiver services retained monthly PNA to \$741.00.

[MS 3550](#), LTC Individual with Community Spouse, is revised to increase the special income standard to \$2,163 and the maximum community spouse income allowance to \$2,931.

[MS 3910](#), Medicaid Works Application, is revised to increase the Substantial Gainful Activity (SGA) income amounts.

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is revised to increase the Substantial Gainful Activity (SGA) income amounts.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to raise the unearned income limit.

[MS 4450](#), Resource Limits for Medicare Savings Program, is revised to increase the resource amount for an individual to \$7,160 and a couple to \$10,750.

[MS 4670](#), SSI Financial Standards, is revised to increase the income amounts for an individual to \$721 and a couple to \$1,082.

[MS 4910](#), SSP Standards, is revised to increase the Personal Care Home, Family Care Home, Caretaker Services standard amounts. It is further revised to add Community Integration Supplementation (CIS) standard amount.

Division of Family Support

Operation Manual  
Transmittal Letter No. 455  
January 1, 2014

Subject: Policy Revisions for Volume I

Volume I

[MS 0670](#), Income and Eligibility Verification System (IEVS), is revised to remove the reference to verifying the batch match at the next recertification.

[MS 0675](#), Resolving IEVS Discrepancies, is revised to correct formatting and to clarify procedures on resolving batch matches.

[MS 0910](#), Referral of Claims to the Office of Inspector General, is revised to remove the reference to the excel version of form PAFS-88, Referral Summary/Disposition, and add reference to the Fraud Claims Tracking site version of form PAFS-88.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 454  
November 1, 2013

Subject: EBT Restrictions and Other Changes to Volume I, III, and IIIA

### Volume I

[MS 0220](#), Interpreter Services for Deaf and Hard of Hearing Individuals, is revised to change the contact name for payments from Sandra Skalley to Joann Hatcher.

[MS 0270](#), Required Explanations of EBT, is revised to provide information concerning the usage restrictions for EBT cards. The EBT card cannot be used for any cash benefit transactions or withdrawals from ATM's in liquor stores, adult-oriented entertainment establishments, or any casino, gambling casino or gaming establishment.

### Volume III

The Table of Contents is revised to include MS 3667, UP Reapplication after Discontinuance for KWP Noncooperation.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to clarify that K-TAP/KWP applications and recertifications can be initiated by telephone; however, the individual must come into the office to complete the assessment and TAA segment of the application/recertification with a case manager.

[MS 3030](#), Child Support Referral Process, is revised to state for W cases which contain child support referrals, only the custodial parent of the child listed on the referral may sign form KIM-125.

[MS 3667](#), UP Reapplication after Discontinuance for KWP Noncooperation, is created to provide policy and procedure for processing UP reapplications. Once a "W" case is discontinued for noncooperation with the Kentucky Works Program (KWP), the qualified parent (QP) and or other parent must demonstrate KWP compliance by participating for 15 calendar days prior to reapproval of the UP case, regardless of the reason for the most recent discontinuance.

[MS 5030](#), KC Caregiver Responsibilities, is revised to state the recertification may be completed by a telephone interview or by a face-to-face interview.

### Volume IIIA

[MS 4200](#), Educational Component for Teen Parents, is revised to change STEP to OTIS.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 453  
November 1, 2013

Subject: SNAP Max/Min Allotments and SAFE Changes, and Procedures for Obtaining Access to JP Morgan

### Volume I

[MS 0330](#), EBT Inquiry, is revised to provide instructions for staff to follow to obtain access to JP Morgan EFS Administration information.

### Volume II

[MS 3220](#), SAFE Allotments, is revised to reflect adjustments made to the monthly benefit allotments provided to SAFE households.

[MS 5800](#), Calculations of Allotment, is revised to reflect a change in the maximum and minimum SNAP allotment amounts.

[MS 6460](#), Assigning Certification Periods for Expedited Services, is revised to remove the reference to scheduling appointments.

[MS 7030](#), Required Verification at Recertification, is revised to add that verification of household composition is mandatory at recertification. It is further revised for formatting.

[MS 7050](#), Sources of Verification, is revised to clarify that you cannot use mail that is addressed to a Post Office Box or General Delivery to verify residency.

Subject: Incorporation of new MAGI Medicaid, APTC/CSR, and QHP rules effective 1/1/2014

Volume IVB is created to incorporate the policy and procedures for determining eligibility for Modified Adjusted Gross Income (MAGI) Medicaid, Advanced Premium Tax Credits (APTC), Cost Sharing Reductions (CSR), and Qualified Health Plans (QHP) as set forth by the Patient Protection and Affordable Care Act.

#### Volume IVB

[MS 1000](#), Insurance Affordability Programs (IAPs) Overview, has been created to provide an overview of policy and procedure changes resulting from the implementation of the Affordable Care Act (ACA).

[MS 1050](#), Modified Adjusted Gross Income (MAGI) Medicaid Definitions, has been created to incorporate new terminology that is associated with the implementation of the ACA.

[MS 1070](#), Categories of Assistance, has been created to incorporate the four new categories of assistance in determining eligibility for MAGI Medicaid.

[MS 1230](#), SSI Applications, has been created to incorporate that an individual may have an active case on kynect while an SSI application is pending. This would include individuals eligible in the new MAGI Adult category.

[MS 1240](#), Applications for the Deceased, is created to incorporate that an application for the deceased may be taken during the month of death on kynect. If it is taken after the month of death it must be processed on KAMES.

[MS 1320](#), Standards of Promptness, is created to incorporate that an individual has 30 days to provide mandatory verification.

[MS 2110](#), Enumeration, is created to incorporate that each individual (including children) applying for Medicaid must provide his/her Social Security Number (SSN). The Federal HUB will verify each individual's SSN with the Social Security Administration (SSA).

[MS 2150](#), Citizenship and Identity Requirements, is created to incorporate that all individuals applying for Medicaid must verify he/she is a United States (US) citizen or a Lawful Permanent Resident (LPR) of the US. Once the individual's SSN and citizenship have been verified and documented, he/she is no longer required to verify this information.

[MS 2170](#), American Indian and Alaskan Native (AIAN), is created to incorporate that AIAN status is only relevant for CSR benefits and special enrollment situations.

[MS 2200](#), Residency, is created to incorporate that to be eligible to receive MAGI Medicaid, an individual must be a resident of Kentucky. An individual does not have

to reside in the state for any specified amount of time to be considered a resident.

[MS 2350](#), Incarceration, is created to incorporate that inmates of a public institution such as a prison, county jail, or similar facility are not eligible for Medicaid benefits.

[MS 2600](#), Pregnancy, is created to incorporate that client attestation is sufficient for verification of pregnancy and due date unless there is reason to doubt. Medicaid coverage will be given through the estimated due date plus the post-partum period.

[MS 2900](#), MAGI Household Determination, is created to incorporate that for MAGI Medicaid, household composition is determined based on who lives in the home, each person's tax filing status and/or relationship. Each person is placed into either a Filer Group or a Non-Filer group based on their stated tax filing status. An Eligibility Determination Group (EDG) is then constructed for each eligible individual.

[MS 3000](#), Income Eligibility, is created to incorporate that it is possible to have a discrepancy between the income reported by an individual and the income returned by the trusted data sources. Reasonable Compatibility is defined as a 10 percent difference between the attested and electronic sources of information. If income information is returned by the trusted data sources and is not within the reasonable compatibility, the individual is given the opportunity to provide satisfactory documentation.

[MS 3100](#), Income, is created to incorporate that MAGI income is based on the previous year's tax return. If an individual states that the previous year's tax return is not representative of the current year or if income has changed, the individual must provide verification of the current income.

[MS 3200](#), Excluded Income, is created to incorporate child support, gifts and inheritances, worker's compensation and Veteran's disability to the list of excluded income.

[MS 4300](#), Qualified Health Plan (QHP), is created to incorporate that individuals who are looking for affordable health care coverage, may enroll in a QHP through the Kentucky Health Benefit Exchange (KHBE). A QHP is a commercial insurance plan offered through the KHBE. These plans are offered to residents at full premium cost without subsidy or with premium assistance for qualified individuals. These plans are available to all non-incarcerated individuals who are US citizens or are lawfully present and are residents of Kentucky.

[MS 4320](#), Advanced Premium Tax Credit (APTC), is created to incorporate that APTC is premium payment assistance offered through the KHBE for the purchase of a QHP to families whose income is between 100% and 400% of the Federal Poverty Level (FPL). The assistance is a tax credit that is paid in advance. An individual must be determined ineligible for MAGI Medicaid in order to qualify for APTC.

[MS 4340](#), Cost Sharing Reductions (CSR), is created to incorporate that CSR is a program offered through the KHBE that reduces out-of-pocket expenses for consumers who are eligible for the APTC and purchase a QHP through the Exchange. This program lowers deductibles, co-pays, and co-insurance by the government sharing the costs with the consumer.

[MS 4500](#), MAGI Glossary, is created to incorporate some commonly used acronyms that may be found within the MAGI Manual and associated with the KHBE.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 451  
October 1, 2013

Subject: Various Revisions to Volumes I, IV, and IVA Due to Business Process Redesign

This OMTL is created to incorporate policy regarding the new business process redesign effective October 1, 2013.

### Volume I

[MS 0360](#), The Quality Control System, is revised to remove the reference to the local office.

[MS 0700](#), Resolving Batch Matches, is revised to remove the term "worker's" DCSR due to the business process redesign.

[MS 0710](#), KAMES Matches, is revised to remove the term "worker's" DCSR due to the business process redesign.

[MS 0720](#), Prisoner Match, is revised to remove the term "worker's" DCSR due to the business process redesign.

### Volume IV

The Table of Contents is revised to add MS 1210, Electronic Signature.

[MS 1200](#), Right To Apply, is revised to state that an individual can apply either in person or by telephone for programs offered by the agency. It is also revised to clarify the application process when an application has been taken over the telephone or in a county other than the county of residence.

[MS 1205](#), Taking the Family/AFDC-Related MA Application, is revised to state that individuals have the right to apply in person or by telephone for programs offered by the agency. It is also revised to clarify the application process when an application has been taken over the telephone or in a county other than the county of residence.

[MS 1210](#), Electronic Signature, is created to incorporate policy on the use of electronic signatures.

[MS 1212](#), Family MA Interview Process, is revised to state that Family Medicaid applications, reapplications, and recertifications may be completed by face-to-face or telephone interviews. It is also revised to clarify that all documents pertaining to eligibility for the current certification period must be scanned into the Electronic Case File (ECF).

[MS 1550](#), Recertification Procedures for Family MA and AFDC-Related MA Cases, is revised to state that recertification interviews may be conducted face-to-face or by telephone. It is also revised to remove the term "worker's" DCSR due to the

business process redesign. It is further revised to state that "PI" is entered as "INT" special interview type when scheduling a recertification as a phone interview.

[MS 1600](#), Introduction to Managed Care, is revised to remove the reference to the local office.

#### Volume IVA

The Table of Contents is revised to add MS 1373, Electronic Signature.

[MS 1340](#), Introduction to Managed Care, is revised to remove the reference to the local office.

[MS 1370](#), Application Process, is revised to state that telephone interviews are not permitted for Pass Through or long term care (LTC) programs, including both nursing facility (NF) and waiver. It is also revised to clarify the application process when an application has been taken over the telephone or in a county other than the county of residence.

[MS 1372](#), Adult MA Interview Process, is revised to state that telephone interviews are not permitted for Pass Through or LTC (NF and waiver) programs.

[MS 1373](#), Electronic Signature, is created to incorporate policy on the use of electronic signatures. Electronic signatures are only permitted for Spend Down applications or Medicare Savings Program (Z case) applications via a telephone interview.

[MS 1500](#), Adult MA Recertification/Interim Changes, is revised to state that telephone interviews are not permitted for Pass Through or LTC (NF and waiver) programs. It is also revised to clarify that QMB, SLMB, QI1, and QDWI recertifications may be conducted by telephone.

[MS 4500](#), Medicare Savings Program Case Actions, is revised to incorporate policy that telephone interviews for "Z" cases are permitted.

Subject: Revisions to Volume I and III based on the New Business Process

The following sections have been revised to incorporate information concerning new business solutions and the Health Benefits Exchange (HBE).

#### Volume I

[MS 0020](#), General Case Processing, is revised to include references to MAGI Medicaid and kynect.

[MS 0021](#), General Overview of KAMES Inquiry, is revised to state that the inquiry information is only for cases processed on KAMES.

[MS 0050](#), County of Case Responsibility, is revised to state only K-TAP/KWP and Adult Medicaid (AMA) active or pending cases are transferred between counties or workers, and that K-TAP/KWP and AMA cases have a specific county and worker responsible for case actions.

[MS 0060](#), Case Transfer Procedures, is revised to state the procedures apply to K-TAP/KWP and AMA cases and to remove the reference to SNAP. Also, it is revised to state that all verification/documents are scanned into ECF before transfer, and if verification/documents are received after transfer by the sending county, the sending county scans the material into ECF.

[MS 0070](#), General Provisions for Assignment of Worker ID and Caseload Codes, is revised to state caseload codes are not linked to worker ID's except for K-TAP/KWP and AMA cases.

#### Volume III

[MS 2100](#), Making an Application, is revised to state that an individual can apply for K-TAP by telephone. However, if there is potential for participation in Kentucky Works, the individual will need to complete the interview in the office.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to allow an individual to complete the application/recertification by telephone for K-TAP cases that do not involve potential participation in Kentucky Works. The K-TAP/KWP application/recertification can be started by telephone; however, it must be completed by an interview with the case manager.

[MS 2122](#), Scheduling Appointments on KAMES, is revised to remove the reference to the "worker's" DCSR.

[MS 2150](#), Recertification Periods, is revised to allow telephone interviews for recertification of K-TAP cases that do not involve potential KWP participation and to change Food Benefits to SNAP.

[MS 2155](#), Signing Application/Recertification Forms, is revised to provide information concerning the use of electronic signatures and to remove the words "face-to-face interview".

[MS 2175](#), Processing Recertifications and Case Changes, is revised to remove the reference to form PAFS-126, Change Report Form; to allow a client to call or come into the office to discuss a change reported by a third party; and to delete the process that a K-TAP worker notify the SNAP worker of a change.

[MS 2203](#), FAD Eligibility Determination, is revised to state that if an application is made by telephone, a FAD determination is not made at the time of the phone interview. The case is pended and the FAD option is discussed at the face-to-face interview.

### Volume IIIA

[MS 4250](#), Employment, is revised to remove the types of verification needed for employment and to correct the example in item C.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 449  
October 1, 2013

Subject: Claims, Annual Cost-of-Living Changes for Utility and Income Standards,  
Shelter Deductions

### Volume I

[MS 1030](#), How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim, is revised for formatting and clarity.

### Volume II

[MS 5200](#), Income Eligibility Scale, is revised to reflect the annual COLA changes to the maximum and net income limits. The example in item 4 is also revised to reflect income changes. It is further revised for formatting.

[MS 5400](#), Deductions- General, is revised to reflect the annual COLA changes to the standard deduction for all households. It is further revised for formatting.

[MS 5470](#), Allowable Shelter Deductions, is revised to clarify that utility expenses must be verified at application and when a household reports a change of address or shelter expenses.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to remove client statement as an acceptable verification source. It is further revised for formatting and clarity.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated SUA. It is further revised for clarity.

[MS 5498](#), Non-Heating and Non-Cooling Costs/ Basic Utility Allowance, is revised to reflect the updated BUA and telephone standard. It is further revised for grammar and clarity.

[MS 5800](#), Calculation of Allotment, is revised to reflect the annual COLA change to the Maximum Shelter Deduction. It is further revised for grammar and formatting.

[MS 6740](#), Worker Requirements for Acting On All Other Changes, is revised to add the reference to MS 6765 for acting on changes of address. It is further revised for clarity and formatting.

[MS 6765](#), Acting on Change of Address, is revised to remove the reference to reapplication. It is further revised for formatting.

[MS 7000](#), Required Verification at Application, is revised to clarify that utility expenses must be verified at application. It is further revised for formatting.

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[MS 7030](#), Required Verification at Recertification, is revised to add letter "G" to verification that must be obtained at recertification as it was previously incorrectly omitted. It is further revised to add that medical expenses must be verified or the deduction is not allowed and for formatting.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 448  
October 1, 2013

Subject: Various Manual Section Revisions to Incorporate Business Process Redesign (BPR)

### Volume I

[MS 0310](#), Time Limit For Using EBT Benefits, is revised to remove the reference to "worker's" and to change "Nutrition Assistance and Accountability Branch (NAAB)" to "Nutrition Assistance Branch (NAB)". It is further revised for formatting.

[MS 0320](#), Reconciliation of Issuances, is revised to change "Nutrition Assistance and Accountability Branch (NAAB)" to "Division of family Support (DFS)" and to remove the reference to local office worker. It is further revised for formatting.

[MS 0340](#), Replacing EBT Card, is revised to remove the reference to "their". It is further revised for formatting.

### Volume II

[The Table of Contents](#) is revised to remove MS 6108 and MS 6725 as they are now obsolete. It is further revised to change the title of MS 6210, Scheduling Recertifications, to Recertification Interviews.

[MS 2000](#), Definitions, is revised to include definitions for Call Services workers, Client Intake workers, Enrollment and Eligibility workers, and Support Services workers. It is further revised for formatting.

[MS 2370](#), Noncompliance with Other Programs, is revised to change the term "food benefits" to SNAP. It is further revised to remove the term "worker's" DCSR. It is also revised for formatting and clarity.

[MS 2510](#), Duplicate Participation of Residents of Shelters for Victims of Abuse, is revised to remove the reference to "their" worker.

[MS 2660](#), Center Responsibilities, is revised for formatting.

[MS 2715](#), Supports for Community Living Programs, is revised to remove the reference to the local office. It is further revised for formatting.

[MS 2730](#), Group Living Facility Responsibilities, is revised for formatting.

[MS 5500](#), Treatment of Utility Expenses, is revised to remove reference of "the worker's" from "DCSR". It is further revised to clarify that when a LIHEAP spot check posts on the DCSR, the supervisor will assign a worker to act on it. It is also revised for formatting, clarity and grammar.

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[MS 5510](#), Child Support Deduction, is revised to remove reference of "the worker's" from "DCSR". It is further revised for formatting and clarity.

[MS 5650](#), Budgeting Income, is revised to update the examples. It is further revised for formatting and clarity.

[MS 6000](#), Initial Contact - Responsibilities, is revised to remove the reference to the KAMES Agency Contact file and to add that all contact must be annotated on the appropriate log. It is further revised to add that individuals must be advised of the Web Portal. It is also revised for formatting, clarity, and grammar.

[MS 6010](#), Household Classification, is revised to change the references from food benefits to Supplemental Nutrition Assistance Program (SNAP). It is further revised for formatting.

[MS 6020](#), Caseworker Responsibilities, is revised to add that the caseworker must thoroughly explain change reporting requirements and the Quality Control (QC) process to households. It is further revised for formatting.

[MS 6100](#), Filing an Application, is revised to remove instructions to transfer a household's case to the agency in the county of residence. It is further revised to add the Web Portal as a means for the client to file an application. It is also revised for formatting.

[MS 6103](#), Who Signs the Application, is revised to change the references from food benefits to Supplemental Nutrition Assistance Program (SNAP). It is further revised for formatting.

MS 6108, Changes In PAFS Cases, is deleted from the handbook as it no longer applies.

[MS 6125](#), Electronic Signature, is revised to state that the client's PIN should NEVER be entered in case comments. It is further revised for formatting.

MS 6200, Scheduling Appointments for Applications, is deleted from the handbook as it no longer applies.

[MS 6210](#), Scheduling Recertifications, is revised to remove references to the client appearing for a scheduled appointment with reference to the client making contact with the agency. It is further revised to remove the reference to the DCSR due to business process redesign and for formatting.

[MS 6220](#), Scheduling Appointments for Working Recipients, is revised to change the title to Interviews for Working Recipients and to remove the reference to face-to-face interviews. It is further revised for clarity and formatting.

[MS 6300](#), Requirement for Interview, is revised to remove the reference to face-to-face interviews. It is further revised for formatting.

[MS 6310](#), Types of Interviews, is revised to change food benefits to SNAP. It is further revised to add the Web Portal as a means for the household to submit an application. It is further revised for formatting.

[MS 6320](#), Scope of the Interview, is revised to add that the household must be verbally advised of the QC process and given pamphlet PAM-PAFS-343.2, Quality Control. It is further revised for formatting and clarity.

[MS 6330](#), Criteria for Out-of-Office Interview, is revised to remove the reference to the household having a hardship in order to be eligible for a phone interview and to add the reasons that a face-to-face interview is required. It is further revised for formatting.

[MS 6340](#), Conducting Out-of-Office Interview, is revised to remove reference to the client coming into the local office to sign the application. It is further revised for formatting.

[MS 6470](#), Delays in Processing, is revised to replace the reference to the client appearing for a scheduled appointment with reference to the client making contact with the agency. It is further revised for formatting.

[MS 6490](#), SNAP 6-Month Review Verification Requirements, is revised to add that income, or the lack of income, must be verified for each new adult household member.

[MS 6610](#), Shortening Certification Periods, is revised to clarify the only instances in which a certification period is shortened. It is further revised for formatting.

[MS 6705](#), Simplified Reporting Households, is revised to remove reference of "the worker". It is further revised to clarify policy on verifying reported changes. It is also revised for formatting and clarity.

[MS 6707](#), Simplified Reporting – Acting on Changes, is revised to remove "local office" references. It is further revised to update action taken on a case when the client reports a change after cut-off, but is due a recertification the next month, and to update the example to incorporate different worker roles. It is also revised for formatting and clarity.

MS 6725, Changes Reported on the Toll-Free 800 Number, is deleted from the handbook as it is obsolete.

[MS 6732](#), Head-of-Household Change, is revised to state office processing procedures for new applications are followed when the head-of-household changes. It is further revised to change "food benefits" to "SNAP", for formatting and for clarity.

[MS 7115](#), Exceptions to Timely Notice Period – SNAP, is revised to remove references of "caseload" and "worker".

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[MS 7475](#), SNAP Case Documentation, is revised to incorporate documentation procedures from the Case Comment Outline/Guide. It is further revised to state everyone that enters documentation on KAMES is required to conclude with their initials and caseworker ID. It is also revised for formatting and clarity.

Subject: 2013 Spousal Impoverishment Standards

This OMTL is created to incorporate the new community spouse minimum income allowance, community spouse minimum shelter allowance, and the family member income allowance that increased effective July 1, 2013.

It is further created to remove Kentucky Spirit Health Plan as a Managed Care Organization (MCO) due to Kentucky Spirit no longer participating in the program.

#### Volume IV

[MS 1601](#), Managed Care Providers, is revised to remove Kentucky Spirit Health Plan as an MCO. It is also revised to update the MCO website to <https://prd.chfs.ky.gov/ManagedCare/>.

[MS 1602](#), Managed Care Definitions, is revised to remove Kentucky Spirit Health Plan as an MCO.

[MS 1603](#), Managed Care Enrollment, is revised to remove Kentucky Spirit Health Plan as an MCO. It is also revised to update the MCO website to <https://prd.chfs.ky.gov/ManagedCare/>.

#### Volume IVA

[MS 1342](#), Managed Care Definitions, is revised to remove Kentucky Spirit Health Plan as an MCO.

[MS 1343](#), Managed Care Enrollment, is revised to remove Kentucky Spirit Health Plan as an MCO. It is also revised to update the MCO website to <https://prd.chfs.ky.gov/ManagedCare/>.

[MS 1345](#), Managed Care Providers, is revised to remove Kentucky Spirit Health Plan as an MCO. It is also revised to update the MCO website to <https://prd.chfs.ky.gov/ManagedCare/>.

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the following standards due to an increase effective 7/1/13:

- Community Spouse Minimum Income Allowance increased to \$1939;
- Community Spouse Minimum Shelter Allowance increased to \$582; and
- Family Member Income Allowance Standard increased to \$1939.

[MS 3550](#), LTC Individual With Community Spouse, is revised to change the following standards due to an increase effective 7/1/13:

- Community Spouse Minimum Income Allowance increased to \$1939;
- Community Spouse Minimum Shelter Allowance increased to \$582; and
- Family Member Income Allowance Standard increased to \$1939.

[MS 4395](#), Application For Medicare Savings Program Through Low Income Subsidy (LIS), is revised to change the Medicare Savings Program resource limits for an individual and a couple that were effective 1/1/13. It is also revised to incorporate policy to the LIS referral process.



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Transmittal Letter No.446  
September 1, 2013

Subject: Documentation for K-TAP, Transitional Assistance Agreement (TAA), K-TAP and Kinship Care Back Payments, and No Income Verification

### Volume III

The [Table of Contents](#) is revised to add MS 2159, Documentation.

[MS 2159](#), Documentation, is created to provide guidance concerning documentation requirements for K-TAP and Kinship Care cases.

[MS 2410](#), Excluded Resources, is revised to state K-TAP and Kinship Care back payments are excluded resources.

[MS 2420](#), Countable Resources, is revised to remove K-TAP back payments as a resource.

[MS 2500](#), Income – General Information, is revised to state that lack of income is verified by form PAFS-702, Proof of No Income, a written statement or collateral contact.

### Volume IIIA

[MS 4520](#), K-TAP Transitional Assistance Agreement, is revised to state that a new TAA is needed at reapplication.

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Operation Manual  
Transmittal Letter No. 445  
August 1, 2013

Subject: Revisions to Assessment and Kinship Care

Volume III

[MS 2125](#), Content of Assessment, is revised to add that if an assessment was previously completed on KAMES, the assessment is reviewed and updated with any new information.

[MS 2130](#), Assessment Process, is revised to add that if an assessment was previously completed on KAMES, the assessment is reviewed and updated with any new information. Procedures for the review of the assessment information are added and the section is reformatted for clarity.

[MS 2180](#), Supplemental Payments, is revised to remove the last paragraph which states send requests for Central Office to issue a supplemental payment in an amount that exceeds 8 payments of \$999. All supplemental payments are issued off KAMES regardless of the amount.

[MS 5020](#), Available Services/Benefits for Kinship Care Cases, is revised to remove respite care and payment for start-up costs as both are no longer available for Kinship Care cases.

[MS 5050](#), Kinship Care Technical Requirements, is reformatted to clarify that if a child is placed by P&P with another caretaker relative due to the death, illness, or active duty military services of the initial caretaker relative, the child remains eligible for Kinship Care.

Subject: Address and Shelter Changes, Loans, and Verification Requirements in SNAP cases.

Volume II

[MS 2060](#), Nonhousehold Members, is revised to state household size and composition must be verified at every application, recertification, and whenever the client's statement is questionable. It is further revised for formatting.

[MS 2070](#), Non-Household Members as a Separate Household, is revised to state that the relationship of "T" members should be explored and documented in comments.

[MS 5210](#), Excluded Income, is revised to state that any document used to verify a loan must consist of the basic elements of a loan contract. The loan document must consist of an offer and acceptance that is made, full and complete terms, and a consideration.

[MS 5220](#), Countable Income, is revised to state that any document used to verify a loan must consist of the basic elements of a loan contract. The loan document must consist of an offer and acceptance that is made, full and complete terms, and a consideration.

[MS 5470](#), Allowable Shelter Deductions, is revised to state that shelter expenses must be verified at application and when a household reports changes in their address and/or shelter expenses.

[MS 5500](#), Treatment of Utility Expenses, is revised to change food benefits to SNAP. It is further revised to state that when a household states no out-of-pocket utility expenses, inquire the HEAP Master Listing and for formatting.

[MS 6020](#), Caseworker Responsibilities, is revised to add that workers should access all available programs for all adult household members reporting no income and for households who report shelter expenses that exceed income. It is further revised for formatting.

[MS 6740](#), Worker Requirements for Acting On All Other Changes, is revised to add specific examples of eligibility elements to examine to determine if the reported change has an effect on any other eligibility elements. It is further revised for formatting.

[MS 6750](#), Acting on Changes Which Increase Benefits, is revised to remove the examples. It is further revised for clarity and formatting.

[MS 6765](#), Acting on Change of Address, is revised to state that when a household reports a change of address, the household's shelter expenses must be re-evaluated to determine allowable ongoing shelter deductions. It is further revised for formatting.

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Transmittal Letter No. 444  
August 1, 2013

[MS 7000](#), Required Verification at Application, is revised to add that inquiries on all system verification sources (i.e. Program 39- BENDEX, Program 48- WAGE RECORDS, Program 4B- UI BENEFITS, SDX, The Work Number, and KASES if children are or have been in the home) must be completed for all adult household members reporting no income and for households who report shelter expenses that exceed income. It is further revised to state that household size and composition and shelter expenses must be verified at every application and reapplication. It is also revised to state that verification must be obtained for each adult household member who claims no income. It is also further revised to state that client statement is accepted as a verification source only as a last resort and for clarity and formatting.

[MS 7020](#), Verification of Questionable Information, is revised to state that any document used to verify a loan must consist of the basic elements of a loan contract. The loan document must consist of an offer and acceptance that is made, full and complete terms, and a consideration. It is further revised for clarity and formatting.

[MS 7030](#), Required Verification at Recertification, is revised to state that no income must be verified for all adult household members. It is further revised for formatting.

Subject: Address and Shelter Changes in SNAP Cases

Volume II

[MS 2060](#), Nonhousehold Members, is revised to state household size and composition must be verified at every application, reapplication, reported change in composition, and whenever the client's statement is questionable. It is further revised for formatting.

[MS 2070](#), Non-Household Members as a Separate Household, is revised to state that the relationship of "T" members should be explored and documented in comments.

[MS 5210](#), Excluded Income, is revised to state that any document used to verify a loan must consist of the basic elements of a loan contract. The loan document must consist of an offer and acceptance that is made, full and complete terms, and a consideration.

[MS 5220](#), Countable Income, is revised to state that any document used to verify a loan must consist of the basic elements of a loan contract. The loan document must consist of an offer and acceptance that is made, full and complete terms, and a consideration.

[MS 5500](#), Treatment of Utility Expenses, is revised change food benefits to SNAP. It is further revised to state that when a household states no out-of-pocket utility expenses, inquire the HEAP Master Listing. It is further revised for formatting.

[MS 6020](#), Caseworker Responsibilities, is revised to add that workers should access all available programs for all adult household members reporting no income. It is further revised for formatting.

[MS 6740](#), Worker Requirements for Acting On All Other Changes, is revised to add specific examples of eligibility elements to examine to determine if the reported change has an effect on any other eligibility elements. It is further revised for formatting.

[MS 6750](#), Acting on Changes Which Increase Benefits, is revised to add another example of changes requiring mandatory verification. It is further revised for clarity and formatting.

[MS 6765](#), Acting on Change of Address, is revised to state that when a household reports a change of address, household size and composition must be verified and the household's shelter expenses must be re-evaluated to determine allowable ongoing shelter deductions. It is further revised for formatting.

[MS 7000](#), Required Verification at Application, is revised to add that inquiries on all system verification sources (i.e. Program 39- BENDEX, Program 48- WAGE RECORDS, Program 4B- UI BENEFITS, SDX, The Work Number, and KASES if children are or

have been in the home) must be completed for all adult household members claiming no income. It is further revised to state that no income for each adult household member and household size and composition must be verified at every application and reapplication. It is also revised to state that if the household does not have verification of shelter expense with them during the application interview, pend the case and allow the household to return it. It is also further revised to state that client statement is not used as a verification source if the household can provide original verification or collateral contact to verify the household situation. If the client and worker have exhausted all avenues of obtaining verification, client statement is accepted as a **last resort**. It is additionally revised for clarity and formatting.

[MS 7020](#), Verification of Questionable Information, is revised to reflect that household size and composition must be verified at every application, reapplication, and reported change in composition and/or address. It is also revised to state that any document used to verify a loan must consist of the basic elements of a loan contract. The loan document must consist of an offer and acceptance that is made, full and complete terms, and a consideration. It is further revised for clarity and formatting.

[MS 7030](#), Required Verification at Recertification, is revised to state that no income must be verified for all adult household members. It is further revised for formatting.

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July 1, 2013

Subject: Policy Revisions for Volume I

Volume I

[MS 0870](#), Procedures for All Claims, is revised to include that claim client statement interviews can be scheduled as either a face-to-face or phone interview on the Kentucky Claims Debt (KCD) management system.

[MS 0950](#), Claim Repayment Methods, is revised to include that KAMES comments must be entered when a restoration, supplement or special circumstance payment is used to repay on a claim and to clarify that special circumstance payments may be used to repay K-TAP, TANF-related, and Kinship Care claims.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to remove language stating a waiver can only be signed once when pursuing any Intentional Program Violation (IPV) against an individual.

[MS 1050](#), How to Process an Intentional Program Violation Claim, is revised to remove language stating a waiver can only be signed once when pursuing any IPV against an individual.

[MS 1150](#), Treasury Offset Program (TOP), is revised to include language stating SNAP claims that are established as IPV by court order, waiver or administrative hearing may still be collected after notice of a bankruptcy petition.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 442  
July 1, 2013

Subject: Various Changes to Volume I, III and IIIA

### Volume I

[MS 0230](#), Limited English Proficiency (LEP), is revised to remove Sandra Skalley as the contact person and to state to e-mail all invoices to the [CHFSPayablesBranch@ky.gov](mailto:CHFSPayablesBranch@ky.gov).

### Volume III

[MS 2180](#), Supplemental Payments, is revised to state that before e-mailing CMS, enter comments on KAMES explaining the reason for the supplemental payment. Also, it is revised to state each special circumstance transaction can allow up to 4 payments of \$999 each.

[MS 2215](#), Technically Excluded Individuals, is revised to state individuals in programs such as Alcoholics Anonymous and Narcotics Anonymous can make a self-declared assessment. This self-declared assessment is acceptable as this is the only type of assessment that these programs require.

[MS 2328](#), Relationship, is revised to add how to code a spouse of a non-responsible relative. The non-responsible relative is coded M06 and the spouse is coded R43. Only one non-responsible relative can be included in the K-TAP case.

[MS 2340](#), Deprivation and Joint Custody, is revised to include underemployment as a deprivation factor.

[MS 2367](#), Verification of Voluntary Absence, is revised to clarify that the source of the verification of absence is documented in KAMES comments.

[MS 2379](#), Incapacity Determination, is revised to remove the requirement that form PAFS-25, Transfer of Case Record or Material, is sent with form PA-601T, Referral for Determination of Incapacity or Disability, to the Medical Review Team.

[MS 2397](#), Quality Control Cases Involving MRT, is revised to remove the reference to form PAFS-25.

### Volume IIIA

[MS 4250](#), Employment, is revised to state that the SEE component is now automatically created, tracked and closed by OTIS. Once the SEE component is closed, employment information (EMP) is sent from KAMES to OTIS.

[MS 4655](#), Verification of Participation, is revised to clarify that verification of participation in online courses must be provided by the educational institution which administers the online courses.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 441  
June 1, 2013

Subject: Policy Revisions for Volume I, Volume II and Volume IIA and Miscellaneous Revisions

### Volume I

The [Table of Contents](#) is revised to add manual section 0730 and to remove MS 1130, Disqualified Recipient Subsystem, as it is incorporated into MS 0730 and is obsolete. It is further revised to correct numbering and formatting.

[MS 0060](#), Case Transfer Procedures, is revised to update procedures for transferring cases and to eliminate the use of form PAFS-25, Transfer of Case Record of Material. It is further revised for clarity and formatting.

[MS 0560](#), Documentation of Alien Status, is revised to include information on the new automated I-94 process at air and sea ports. It is further revised to change the form number of CFS-13, Informed Consent and Release of Information and Records, to DCBS-1. It is also revised for clarity and formatting.

[MS 0570](#), SAVE, is revised to include the type of documentation provided and the I-94 admission number in the memorandum sent to Regional Office, to correct the form number of the Document Verification Request sent to USCIS to G-845, and to update that form G-845, along with scanned documentation, is sent electronically to USCIS. It is further revised to update the local office procedures to include scanning the SAVE response into ECF when it is received from Regional Office. It is also revised to state that a SAVE inquiry must be completed on eligible family members of trafficking victims. It is also further revised to change references from food benefits to SNAP and for clarity and formatting.

[MS 0730](#), Disqualified Recipient Subsystem (DRS), is created to provide policy and procedures on resolving out-of-state IPV matches and to incorporate policy previously in MS 1130, Disqualified Recipient Subsystem.

MS 1130, Disqualified Recipient Subsystem, is obsolete.

### Volume II

The [Table of Contents](#) is revised to rename MS 6105, Processing of PA Food Benefits Applications, to Processing of PA SNAP Applications; MS 6107, Changes Between PAFS and NAFS Food Benefits Cases, to Changes Between PAFS and NAFS SNAP Cases; MS 6780, Overview of Public Assistance (PA) Changes Affecting Food Stamp Cases, to Overview of Public Assistance (PA) Changes Affecting SNAP Cases; and MS 7115, Exceptions to Timely Notice Period – Food Benefits, to Exceptions to Timely Notice Period – SNAP.

[MS 2610](#), Eligibility of Treatment Center Participants, is revised to instruct that a specified representative of the treatment facility must apply in person for SNAP. It is further revised to change references from food benefits to SNAP and for formatting.

[MS 2910](#), Verification of Alien Status, is revised to include information on the new automated I-94 process at air and sea ports, correct the form number of the Document Verification Request sent to USCIS to G-845, and to clarify that the agency submits form G-845 to USCIS, not the alien. It is further revised to provide instructions on entering a spot check when a household member meets the criteria to be eligible for SNAP, but is currently without verification and a request has been submitted to USCIS, SSA or another federal agency. It is also revised to correct spelling, for clarity and formatting.

[MS 2915](#), Verification – SAVE, is revised to include the type of documentation provided and the I-94 admission number in the memorandum sent to Regional Office, to correct the form number of the Document Verification Request sent to USCIS to G-845, and to update that form G-845, along with scanned documentation, is sent electronically to USCIS. It is further revised to state that a SAVE inquiry must be completed on eligible family members of trafficking victims and to update the local office procedures to include scanning the SAVE response into ECF when it is received from Regional Office and to correct the name of the SAVE verification system. It is also revised to provide instructions on entering a spot check when a household member meets the criteria to be eligible for SNAP, but is currently without verification and a request has been submitted to USCIS, SSA or another federal agency. It is also further revised for clarity and formatting.

[MS 3160](#), Categorical Eligibility, is revised to change references from food benefits to SNAP and for formatting.

[MS 5210](#), Excluded Income, is revised to clarify that a signed repayment agreement is required for loans when a household receives payments from the same source for more than three months. It is further revised to remove the reference of earned income tax credit payments received in advance, as now they are only paid one time per year. It is also revised to correct an omission and for formatting.

[MS 5220](#), Countable Income, is revised to clarify that a signed repayment agreement is required for loans when a household receives payments from the same source for more than three months. It is further revised for formatting.

[MS 5470](#), Allowable Shelter Deductions, is revised to state that client statement is accepted as verification if the household does not have written verification at the interview. It is further revised to state that all households are encouraged to provide written verification or a collateral contact to verify shelter costs and to add examples of specific situations. It is further revised for clarity and formatting.

[MS 5485](#), Treatment of Homeless Households with Shelter Costs, is revised to state that client statement is accepted as verification if the household does not have written verification at the interview. It is further revised to state that all households are encouraged to provide written verification or a collateral contact to verify shelter costs and to add examples of specific situations. It is further revised for clarity and formatting.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to state that receipt of Low Income Home Energy Assistance Act of 1981 (LIHEAP) must be verified by the Heat Master Listing when a household states that it does not incur out-of-pocket utility expenses and did not receive LIHEAP. It is further revised for formatting.

[MS 6102](#), Taking the Application, is revised to update case transfer procedures when an individual applies in a county other than the individual's county of residence and to eliminate the use of form PAFS-25, Transfer of Case Record of Material. It is further revised for formatting and clarity.

[MS 6104](#), Joint Processing Procedure, is revised to change references from food benefits to SNAP and for formatting.

[MS 6105](#), Processing of PA Food Benefits Applications, is renamed Processing of PA SNAP Applications. It is further revised to change references from food benefits to SNAP and to remove the reference to MS 6104 as it doesn't pertain to potentially categorically eligible households anymore. It is also revised for clarity and formatting.

[MS 6107](#), Changes Between PAFS and NAFS Food Benefits Cases, is renamed Changes Between PAFS and NAFS SNAP Cases. It is further revised to remove the reference of transferring a case to the NAFS or PA unit, as it no longer applies, and to change references from food benefits to SNAP and for formatting.

[MS 6780](#), Overview of Public Assistance (PA) Changes Affecting Food Stamp Cases, is renamed Overview of Public Assistance (PA) Changes Affecting SNAP Cases. It is revised to change references from food benefits to SNAP. It is further revised for clarity and formatting.

[MS 7000](#), Required Verification at Application, is revised to state that client statement is accepted as verification if the household does not have written verification at the interview. It is further revised to state that all households are encouraged to provide written verification or a collateral contact to verify shelter costs and to add examples of specific situations. It is further revised for clarity and formatting.

[MS 7110](#), Timely Notice of Decrease, Discontinuance, is revised to change references from food benefits to SNAP and to add that the 10 day timely notice isn't applicable during the recertification process. It is further revised for clarity and formatting.

[MS 7115](#), Exceptions to Timely Notice Period – Food Benefits, is renamed Exceptions to Timely Notice Period – SNAP. It is further revised to remove "Returned Mail" and "Incorrect Notice of Approval/Denial (KIM-105)" as an exception for issuing a notice of timely action. It is also revised to change references from food benefits to SNAP, for clarity and formatting.

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Volume IIA

[MS 4800](#), Move From County to County, is revised to update transfer procedures and eliminate the use of form PAFS-25, Transfer of Case Record or Material, when transferring cases between active/inactive ETP counties. It is further revised for clarity and formatting.

## Division of Family Support

Operation Manual  
Transmittal Letter No.440  
April 1, 2013

Subject: Kinship Care and Child Care Assistance Changes

### Volume I

[MS 0610](#), Overview of the Child Care Assistance Program, and [MS 0620](#), Child Care Assistance Program Eligibility Requirements, are revised to state that a low income family can only receive CCAP for a child with special needs.

In addition, [MS 0620](#) is revised to state that a family discontinued from K-TAP will remain eligible for CCAP until the redetermination for CCAP at which time the low income criteria will be used.

### Volume III

[MS 5000](#), Kinship Care Overview, is revised to state that no new applications for Kinship Care will be accepted after 3/31/13.

[MS 5010](#), KC Application Process, and [MS 5040](#), Children Not Eligible for Kinship Care, are revised to state applications for Kinship Care must be received by Family Support by 3/31/13. Any relative caregiver needing assistance after 3/31/13 may apply for K-TAP, MA and/or SNAP.

[MS 5050](#), Kinship Care Technical Requirements, is revised to state that forms KIM-78KC, Kinship Care Financial Assistance Application, KC-01, Kinship Care Program Statement of Rights and Responsibilities, and the Protection and Permanency Central Office approval letter must be received by Family Support by 3/31/13.

[MS 5100](#), Reapplication for Kinship Care Benefits, is revised to delete the discontinuance due to failure to meet recertification requirements as a reason for reapplication. For a Kinship Care case discontinued for reasons other than what is listed in MS 5100, a K-TAP application can be taken.

### Volume IIIA

[MS 5270](#), Approval for CCAP, is revised to state referrals are made for low income families that have a child with special needs. MS 5270 is also revised to state that form DCC-85A, Approval for Child Care Assistance, is scanned into the electronic case file and comments are entered on OTIS.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 439  
April 1, 2013

Subject: Web Portal Implementation and Miscellaneous Changes

### Volume I

[MS 0280](#), Local Office Responsibilities, is revised to clarify that at the end of the month, the Field Service Supervisor reviews and signs the EBT-2 to ensure reconciliation and to ensure that Employee A and Employee B have signed the EBT-2. It is further revised to correct the contact information for the Nutrition Assistance Branch.

[MS 0360](#), The Quality Control System, is revised to change form PAFS-343 to QC-343 and to remove all references to the PA-343A as it is now obsolete.

[MS 0380](#), Local Action on QC Findings, is revised to change form PAFS-343 to QC-343 and to remove all references to the PA-343A as it is now obsolete. The QC-343 will be uploaded on the new QC SharePoint and a notification, with a link to the review, will be electronically sent to the appropriate Regional contacts and Central Office staff. The notification will contain either a request that a PAFS-343.1 is required or that no errors were found. Once a PAFS-343.1 has been filled out, the Regional contact will go on the QC SharePoint and select that the PAFS-343.1 has been completed. This will alert QC and the Regional contacts that the PAFS-343.1 is complete. The PAFS-343.1 can then be viewed in the electronic case file (ECF).

[MS 0390](#), Refusal to Cooperate with QC, is revised to change form PAFS-343 to QC-343.

[MS 0930](#), Employee Fraud, is revised to clarify the definition of Employee Fraud. It is further revised to clarify that no claims are entered on KCD that involve any Department for Community Based Services (DCBS) employees.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to change the definition of Trafficking. It is further revised to clarify that trafficking claims are not entered on KCD until they are proven to be an IPV. It is a revised for formatting and clarity.

### Volume II

The [Table of Contents](#) is revised to add manual sections 6130, 6135, 6140 and 6145 for the implementation of Web Portal, and to change the name of MS 2500, Shelters for Battered Women and Children, to Shelters for Victims of Abuse. It is further revised to change references from food benefits to SNAP and correct the name of MS 2300.

[MS 2500](#), Shelters for Battered Women and Children, is renamed Shelters for Victims of Abuse.

[MS 2510](#), Duplicate Participation of Residents of Shelters for Victims of Abuse, is revised to change references from "she" and "her" to "they" and "their" per FNS clarification which states this policy applies to males as well as females. It is also revised to change references from food benefits to SNAP. Currently KAMES isn't set

up to accept a male as a victim of abuse. Until programming is in place, if this situation should occur, please contact the Nutrition Assistance Branch via the CHFS DCBS DFS Food Benefits Policy Inbox for instructions.

[MS 3220](#), SAFE Allotments, is revised to reflect adjustments made to the monthly benefit allotments provided to SAFE households.

[MS 6130](#), Web Portal Overview, is created to provide a brief overview of the Web Portal.

[MS 6135](#), Web Portal Client Role, is created to provide information on the capabilities and functions that the client can perform on the Web Portal.

[MS 6140](#), Web Portal Case Assigner Role, is created to define the capabilities and functions of the assigner.

[MS 6145](#), Web Portal Case Worker Role, is created to define the capabilities and functions of the worker.

Division of Family Support

Operation Manual  
Transmittal Letter No. 438  
March 11, 2013

Subject: 2013 Poverty Guidelines

This OMTL is to advise of the increase in the poverty guidelines for "I" and KCHIP cases along with Medicare Savings Plan for QMB, SLMB, QI1 and QDWI programs.

Volume III

[MS 3850](#), WIN Eligibility, is revised to update the Federal Poverty Level scale with the 2013 amounts.

Volume IV

[MS 3450](#), Income Scales, is updated with the new poverty guidelines for 2013.

Volume IVA

[MS 3920](#), Medicaid Works Financial Eligibility, is updated with the new 2013 poverty guidelines.

[MS 4330](#), Financial Eligibility, is updated with the new 2013 poverty guidelines for QDWI.

[MS 4455](#), Income Limits for Medicare Savings Plan, is updated with the new 2013 poverty guidelines for QMB, SLMB and QI1.

[MS 4460](#), Medicare Savings Program Income, is updated for clarity.



## Division of Family Support

Operation Manual  
Transmittal Letter No.437  
March 1, 2013

Subject: Standard of Promptness, Case Action on Applications, Death, WIN Reimbursement Process, KWP Participation Requirements, Monitoring and Tracking Participation, and Curing the KWP Sanction at Reapplication

### Volume III

[MS 2110](#), Standard of Promptness, and [MS 2160](#), Case Action on Applications, are revised to provide procedures on how to pend a case for later processing when all the verification has been received.

[MS 2160](#) is also revised for clarity.

[MS 2344](#), Death, is revised to clarify if paternity has not been established for the deceased parent, the deprivation factor is birth-out-wedlock, not death.

[MS 3860](#), WIN Reimbursement Process, is revised to clarify if an individual returns form WIN-1 or WIN-2 which needs clarification or verification, contact the individual to clarify a response or manually send form PA-105 to request the missing verification. Do not use the "Deny WIN" button on the OTIS WIN Payments screen. MS 3860 first paragraph is also revised for clarity.

### Volume IIIA

[MS 4005](#), KWP Participation Requirements, is revised to clarify that education directly related to employment for an individual with **no** high school diploma or equivalent, includes Adult Basic Education (ABE), Literacy instruction, General Equivalency Diploma (GED), and English as a Second Language (ESL).

[MS 4650](#), Monitoring and Tracking Participation, is revised to clarify how to enter hours of participation for classroom/lab, tutoring, supervised study, clinicals, internships and cooperative (co-op) programs. Also, a clarification of how to enter participation for a partial month is added. To track a partial month's participation, enter the total hours of participation as verified by form PA-33 or other provider verification in the "Monthly Participation Hrs" field on the Tracking screen on OTIS.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to clarify the examples approving an application with a sanction and the subsequent curing of the sanction. It is also revised to clarify that to cure the sanction the activity in which the individual is participating for 15 days is current and the individual is expected to continue participation after the 15 days.

Subject: Passport

This OMTL is created to incorporate policy regarding various changes to Passport Region 3. Effective January 1, 2013, Region 3 is known as Region 31. The managed care organizations (MCO) serving Region 31 are: CoventryCares of Kentucky, WellCare of Kentucky, Passport, and Humana.

#### Volume I

[MS 0021](#), General Overview of KAMES Inquiry, is revised to change the Managed Care Partnership inquiry menu option to MC Organization. It is also revised to remove option K as this option no longer exists on the inquiry menu.

#### Volume IV

The Table of Contents is revised to remove MS 1610 as this is obsolete.

[MS 1212](#), Family MA Interview Process, is revised to remove Passport as one of the Medicaid eligibility processes that is explained to the individual during the interview. It is also revised to add policy and procedures for the KAMES question "Is app/recert ready to dispose?".

[MS 1400](#), Ongoing/Retroactive Medicaid, is revised to remove the link to Passport.

[MS 1600](#), Introduction to Managed Care, is revised to remove the link to Passport. It is also revised to remove the change process when an individual moves from a Passport county to a managed care county.

[MS 1601](#), Managed Care Providers, is revised to add Passport and Humana as MCO providers. Passport and Humana are valid for Region 31 only. It is also revised to add the Region 31 counties.

[MS 1602](#), Managed Care Definitions, is revised to remove the definition of Passport. It is also revised to add Passport and Humana as MCO providers. Passport and Humana are valid for Region 31 only. It is further revised to add the Region 31 counties.

[MS 1603](#), Managed Care Enrollment, is revised to remove the link to Passport. It is also revised to add Passport and Humana as MCO providers. Passport and Humana are valid for Region 31 only.

[MS 1606](#), Exempt/Non Exempt Managed Care Recipients, is revised to remove the link to Passport. It is also revised to remove members in Passport Psychiatric Facilities as Medicaid members who are exempt and not required to participate in an MCO.

MS 1610, Passport, is obsolete as Passport has been added to managed care policy.

[MS 2890](#), Mail-In Applications For "I" And KCHIP Categories, is revised to remove the Passport procedure for mail-ins.

[MS 3015](#), Establishing the Retroactive Spend Down Quarter, is revised to remove the link to Passport.

[MS 3016](#), Establishing the Current Spend Down Quarter, is revised to remove the link to Passport.

#### Volume IVA

The Table of Contents is revised to remove MS 1349 as this is obsolete. It is also revised to change the title of MS 4535 and MS 4770.

[MS 1065](#), Co-Pay for Medicaid Recipients, is revised to remove recipients covered by the Passport Health Plan as recipients that are exempt from co-payment requirements. It is also revised to change "Food Stamp" to "SNAP".

[MS 1340](#), Introduction to Managed Care, is revised to remove the link to Passport. It is also revised to remove the change process when an individual moves from a Passport county to a managed care county.

[MS 1342](#), Managed Care Definitions, is revised to remove the definition of Passport. It is also revised to add Passport and Humana as MCO providers. Passport and Humana are valid for Region 31 only. It is further revised to add the Region 31 counties.

[MS 1343](#), Managed Care Enrollment, is revised to remove the link to Passport. It is also revised to add Passport and Humana as MCO providers. Passport and Humana are valid for Region 31 only.

[MS 1345](#), Managed Care Providers, is revised to add Passport and Humana as MCO providers. Passport and Humana are valid for Region 31 only. It is also revised to add the Region 31 counties.

[MS 1346](#), Exempt/Non Exempt Managed Care Recipients, is revised to remove the link to Passport. It is also revised to remove members in Passport Psychiatric Facilities as Medicaid members who are exempt and not required to participate in an MCO.

MS 1349, Passport, is obsolete as Passport has been added to managed care policy.

[MS 1372](#), Adult MA Interview Process, is revised to remove Passport as one of the Medicaid eligibility processes that is explained to the individual during the interview. It is also revised to add policy and procedures for the KAMES question "Is app/recert ready to dispose?".

[MS 1450](#), Ongoing/Retroactive Medicaid, is revised to remove the link to Passport.

[MS 2670](#), Establishing the Retroactive Spend Down Quarter, is revised to remove the link to Passport.

[MS 2671](#), Establishing the Current Spend Down Quarter, is revised to remove the link to Passport.

[MS 4535](#), Exparte/Extended Managed Care with Medicare Savings Plan is revised to change the title to Exparte with Medicare Savings Plan. It is also revised to remove extended managed care.

[MS 4770](#), Exparte/Extended Managed Care is revised to change the title to Exparte. It is also revised to remove extended managed care.

Subject: Miscellaneous Revisions to Volume II

Volume II

[MS 5060](#), Resources Which May Or May Not Be Counted, is revised to add that tax refunds received are to be excluded as resources for a period of 12 months after receipt.

[MS 5210](#), Excluded Income, is revised grammatically and to add tax refunds are to be excluded as income for a period of 12 months after receipt.

[MS 5320](#), Business Expenses, is revised to state when a self-employment enterprise is operated from the client's home and the client has shelter and/or utility self-employment expenses, the case must be documented sufficiently to indicate the client was given the option of using them as a self-employment expense or a shelter deduction. It is further revised to clarify that the "Other Expenses" field on KAMES is used for expense entries that do not have a designated field and to correct a grammatical error.

[MS 5330](#), Budgeting – Nonfarm Income, is revised to clarify when accepting a client's statement pertaining to self-employment income, the client's statement must be a written statement. It is further revised to include detailed procedures to process SNAP cases for the end of a self-employment activity.

[MS 5670](#), Budgeting Deductions, is revised for clarity and to include an example.

[MS 6125](#), Electronic Signature, is revised grammatically.

[MS 6707](#), Simplified Reporting – Acting On Changes, is revised to clarify changes reported after cut-off when the case is due a recertification the next month are not to be acted on until the recertification interview if the changes would affect the next month's benefits. It is further revised for formatting and to change the references from food benefits to SNAP.

[MS 7475](#), SNAP Case Documentation, is revised to add that documentation is required on "whether a household operating a self-employment enterprise in their home chooses to treat the utility expense as a business expense or a shelter expense" and "when an application is signed via electronic signature, comments must include a statement on who the worker interviewed, as this is not shown on the signature line."

Subject: Recertification Appointments and Mail-In Recertification Notices, Form PA-9, and Medicaid Works Premium Payments.

Volume IV

[MS 2670](#), "U" Children, is revised to change the date for the last day to schedule recertification appointments for "U" cases.

[MS 2891](#), Mail-In Recertification For "I" and K-CHIP Categories, is revised to change the date when form KIP-2SR, Renewal Form for Medical Coverage, is generated.

VOLUME IVA

[MS 1450](#), Ongoing/Retroactive Medicaid, is revised to remove premium payment references.

[MS 1500](#), Adult MA Recertifications/Interim Changes, is revised to change the dates for the first and last day to schedule recertification appointments.

[MS 2770](#), Patient Liability for Individuals Otherwise Medicaid Eligible, is revised to instruct workers to complete form PA-9 rather than sending it to SSA.

[MS 3910](#), Medicaid Works Application, is revised to remove premium payment references.

[MS 3930](#), Medicaid Works Premium Payments, is obsolete to remove premium payment information.

[MS 3940](#), Denial/Discontinuance Codes for Medicaid Works, is revised to remove code 261 and code 661 denial/discontinuance codes.

[MS 3950](#), Medicaid Works Disqualifications, is obsolete to remove premium payment information.

[MS 4150](#), Pass Through Overview, is revised to show that form PA-9 is a worker completed form. It is further revised to state that it is not required to change the category when an individual turns 65.

[MS 4155](#), Acronyms and Definitions, is revised to show that form PA-9 is a worker completed form.

[MS 4230](#), Income Calculation, is revised to instruct workers to complete form PA-9 rather than sending it to SSA. It is also revised for clarity.

[MS 4500](#), Medicare Savings Program Case Actions, is revised to change the date when form KIP-2Q, Renewal Form for the Medicare Savings Program, is generated. It is also revised to add instructions on how information returned after the due date is considered.

[MS 4750](#), Medicaid Eligibility Redetermination, is revised to remove the reference to form PA-9.

Subject: Miscellaneous Revisions to Volume I

[Table of Contents](#), is revised to rename Food Benefit Claims to SNAP Claims and to add section MS 1150, Treasury Offset Program (TOP).

[MS 0040](#), Purging Obsolete Material, is revised to clarify language on purging claims and for formatting.

[MS 0380](#), Local Action on QC Findings, is revised to clarify language on Related Observations when a potential claim is identified. When a claim is identified, it is entered on KCD within 20 calendar days from the date on the PAFS 343. It is also revised for formatting and to state that the 343.1 is filed in the case record and it is no longer necessary to forward copies as it available in the ECF.

[MS 0480](#), Scheduling The Hearing, is revised to add language stating if the claim has been referred to the Commonwealth's Attorney for prosecution, the court has jurisdiction on this matter.

[MS 0500](#), Conduct of The Hearing, is revised to add language concerning collateral contact verification for an administrative disqualification hearing.

[MS 0850](#), Electronic Claims Files, is revised to clarify language on retaining hardcopy case records prior to ECF and claims requiring Bendex verification will be maintained as a hardcopy control folder. A reference is added to MS 0040, Purging Obsolete Material. Policy regarding the use of Form PAFS-3, Claims Processing Packet, is removed as it is obsolete.

[MS 0880](#), General Procedures for a Suspected Fraud Claim, is revised to add language stating to submit a request for an Administrative Disqualification Hearing (ADH) within 10 calendar days, if form FS-80 Supp A, Voluntary Waiver of Administrative Disqualification Hearing has not been returned after 10 calendar days. It is also revised to add language referencing MS 0500 concerning collateral contact verification.

[MS 0890](#), How To Determine The First Month Of A Claim, is revised to correct a grammatical error and to added clarification on how to determine the first month of a claim in KTAP. It is also revised to remove references to food benefits.

[MS 0900](#), Determining Eligibility through Extensive Review, is revised to correct the list of counties where DETER is operational. It is also revised to clarify policy regarding information that is provided by the client to refute the DETER findings. It is further revised to change references from food benefits to SNAP benefits.



[MS 0910](#), Referral of Claims To The Office Of Inspector General, is revised to add , if prosecution is not pursued, OIG closes their case and returns the claim to DCBS for administrative action to be taken within 10 calendar days. If prosecuted, DCBS has 3 calendar days to impose the Intentional Program Violation on KCD and KAMES. It is also revised to state that if OIG requests that a claim be recalculated, the computation requests are sent directly to OIG.

[MS 0930](#), Employee Fraud, is revised to clarify computations for overpayments are completed by an individual determined by the Division of Service Regions and the overpayment is not entered on KCD. For SNAP use form FS-103 and for K-TAP use the PA-30.1 found on KYNET (Mainframe).

[MS 1005](#), No Claim Determination, is revised to add a reference to MS 1010, Procedures for Specific Household.

[MS 1010](#), Procedures for Specific Households, is revised to clarify that a missing/unsigned application doesn't prevent the pursuit of a SNAP claim and that beginning 8/1/12, applications with electronic signatures are considered signed applications.

[MS 1060](#), Criteria for pursuing an Intentional Program Violation Claim, is revised to clarify examples of an IPV claim.

[MS 1070](#), Administrative Disqualification Hearings, is revised to add the timeframe in which form FS-79, Request for an Administrative Disqualification Hearing, is completed and sent to the Administrative Hearings Branch.

[MS 1110](#), Intentional Program Violation Disqualification Penalties, is revised to clarify that disqualifications run concurrently and not consecutively. Disqualifications may overlap one another depending on the decision date entered. It is also revised to state that disqualified members must be added back to the SNAP case after the disqualification period has ended.

It is further revised to clarify that receiving benefits in more than one state simultaneously results in a 10 year disqualification from the SNAP program.

It is also further revised to clarify that disqualifications for trafficking SNAP benefits of \$500 or more on or after 8/22/96 and use of SNAP benefits in a transaction involving the sale of fire arms, ammunition or explosives can only be imposed by a Federal, State, or local court and references to food benefits are changed to SNAP benefits.

[MS 1150](#), Treasury Offset Program (TOP), is created at the request of field staff to provide information about this method used by CMS to collect SNAP claims.

Subject: Medicaid Standards for 2013

This OMTL is created to incorporate the new Medicaid income and resource standards for 2013.

Individuals with Social Security and SSI income will receive a 1.7% cost of living increase in those benefits. The Medicare Part B (SMI) premium is changing to \$104.90.

#### Volume IVA

MS 1750, Introduction to Financial Eligibility, is revised to change the following standards:

- The Supports for Community Living (SCL) waiver standard is increased to \$4,222;
- The Community Spouse Resource Allowance minimum is increased to \$23,184 and the maximum to \$115,920;
- The Community Spouse Income Allowance maximum is increased to \$2,898;
- The Personal Needs Allowance for Waiver/Non-Institutionalized Hospice to \$730;
- The Special Income Standard for waiver and nursing facility cases is increased to \$2,130;
- Blind or Disabled Child Allocations:
  - The ineligible sibling allocation is increased to \$355;
  - The Parent Allocation for Unearned Income is increased:
    - One Parent \$750
    - Two Parent \$1,106
  - The Parent Allocation for Earned Income is increased:
    - One Parent \$1,545
    - Two Parents \$2,257
- The Medicaid Works unearned income limit is increased to \$730 (the SSI standard of \$710 plus the SSI \$20 general exclusion).

MS 1975, Recognition of an Institutionalized Individual's Homestead Resources, is revised to increase the home equity limit to \$536,000. It is further revised to incorporate additional requirements to verify effort to sale property when it is listed with a real estate agent.

MS 2080, Consideration of Transferred Resources, is revised to decrease the transfer of resource factor to \$193.42 per day. It is further revised for clarity.

MS 2130, Resource Assessment, is revised to increase the home equity limit to \$536,000.

MS 2135, Community Spouse Resource Allowance Calculation, is revised to increase the community spouse minimum and maximum resource allowance.

MS 3550, LTC Individual with Community Spouse, is revised to increase the special income standard, the maximum community spouse income allowance, and increase in phone standard to \$32. It is further revised to clarify that shelter expenses must be verified to allow a deduction and to remove the cross reference to SNAP policy.

MS 3910, Medicaid Works Application, is revised to increase the Substantial Gainful Activity (SGA) income amounts.

MS 3912, Medicaid Works Substantial Gainful Activity (SGA), is revised to increase the Substantial Gainful Activity (SGA) income amounts.

MS 3920, Medicaid Works Financial Eligibility, is revised to increase the SSI standard.

MS 4450, Resource Limits for Medicare Savings Program, is revised to increase the resource limits to \$7,080 for an individual and \$10,620 for a couple.

MS 4670, SSI Financial Standards, is revised to increase the income amounts for an individual to \$710 and a couple to \$1,066.

Subject: State Supplementation Standards

This OMTL is created to advise of the increased State Supplementation (SSP) Standards effective January 1, 2013.

VOLUME IVA

MS 4910, SSP Standards, is revised to change the following State Supplementation Standards due to an increase effective 1/1/13:

- Personal Care Home (PCH) increased to \$1,230;
- Family Care Home (FCH) increased to \$882;
- Single individual in own home or receiving room, board and care increased to \$772;
- Eligible (aged, blind or disabled) individual with ineligible (neither aged, blind nor disabled) spouse increased to \$772;
- Couple, both eligible (both aged, blind or disabled) but only 1 requiring care increased to \$1,127; and
- Couple, both eligible (both aged, blind, or disabled) and both requiring care increased to \$1,181.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 430  
November 13, 2012

Subject: Various Manual Sections Impacted by the Change to the Online Tracking Information System (OTIS)

### Volume I

[MS 0001](#), Family Support Manuals and Program Instructions, is revised to delete the reference to the WEP/COM calculator from the Calculator Workbook as the calculations will be completed by OTIS. The reference to the STEP User Guide is changed to the OTIS User Guide.

[MS 0100](#), Returned Checks, is revised to change the reference from STEP to OTIS and to remove WIN from the list of type of checks.

[MS 0140](#), Acronyms, is revised to add OTIS and remove STEP.

[MS 0230](#), Limited English Proficiency (LEP), is revised to change the reference from STEP to OTIS.

[MS 0260](#), Overview of EBT, is revised to add KWP transportation and WIN reimbursement payments to the list of benefits/payments accessed by the EBT card.

[MS 0270](#), Required Explanations of EBT, is revised to add KWP transportation and WIN reimbursement payments to the list of benefits/payments accessed by the EBT card. In addition, it also states for KWP transportation and WIN payments, if there are two individuals in the K-TAP case who are receiving either payment, each individual will have an EBT account. An example is added to demonstrate this.

In addition, the section is revised to change Food Benefits to SNAP. It is further revised to give more specific instructions on what to explain to recipients concerning the usage of their SNAP benefits. It is also revised to remove the wording food benefits as EBT cards cover more programs than SNAP. It is also further revised for formatting.

[MS 0715](#), Death Match, is revised to delete information concerning the match with STEP as these matches will no longer be completed with the advent of OTIS.

### Volume IIA

[MS 1050](#), Frequently Used Terms, is revised to change STEP to OTIS.

[MS 4900](#), Spot Checks and Reports, is revised to change STEP to OTIS.

### Volume III

The following sections are revised to change STEP to OTIS:

- [MS 2010](#), KWP Full Family Sanction;
- [MS 2015](#), Full Family Sanction at Reapplication;

- [MS 2122](#), Scheduling Appointments on KAMES;
- [MS 2324](#), KWP Exemption Criteria; and
- [MS 3665](#), Unemployment Requirements.

[MS 3790](#), RAP Payment Procedures, is revised to change STEP to OTIS and remove the STEP entry instructions for payments. In addition, the section is revised to state RAP eligibility is per adult member in the K-TAP case not per household.

[MS 3850](#), WIN Eligibility, is revised to change STEP to OTIS, and state WIN reimbursement payments are accessed through an EBT account.

[MS 3860](#), WIN Reimbursement Process, is revised to state WIN reimbursements are deposited to an Electronic Benefit Transfer (EBT) account for the WIN eligible individual. If there are two WIN eligible individuals in the case, each individual has an EBT account and card. The individual who has the K-TAP EBT account accesses the WIN from that EBT card. The other individual has a separate EBT account and card. To create an EBT card for the second individual, go to KAMES, the Case Change Menu, Option 6, EBT Card for Second Parent. This must be done in order for the second individual to access the WIN payments.

The section is also revised to replace the STEP procedures with OTIS procedures, and state form WIN-1, Work Incentive (WIN) Report, is issued from OTIS.

### Volume IIIA

[The Table of Contents](#) is revised to delete MS 4130, Resource Directory, as it is no longer needed. The title of MS 4120 is change to KWP Spot Checks on KAMES. The titles are corrected for MS 5375, Car Repairs and Expenses, and MS 5388, Supportive Services Refunds and Adjustments.

[MS 4005](#), KWP Participation Requirements, is revised to change STEP to OTIS and delete the component code "OTH" as it is no longer a valid code. Component code "MHA" is added for mental health counseling. It is further revised to clarify when a child is considered under 6 years old when determining the hours required for participation. If the child's birthday is the first day of the month, the child is 6 years old. If the child's birthday is after the first day of the month, the child is considered under 6 for that month.

[MS 4100](#), KAMES Referral Process, is revised to change the reference from STEP to OTIS.

[MS 4120](#), KWP Spot Checks on KAMES, is revised to delete the spot checks concerning contractors and component referral and placement as these will not be needed when OTIS is operational.

MS 4130, Resource Directory, is now obsolete with the advent of OTIS.

[MS 4210](#), Vocational Educational Training, is revised to change STEP to OTIS and state that OTIS will track the months of VOC to ensure the 12-month limit is not exceeded.

[MS 4215](#), Short-Term Training, is revised to change the reference from STEP to OTIS and to state form KW-215, Short-Term Training Referral Form, is issued off OTIS if the expense will be paid off OTIS. For short-term training expenses paid by the Big Sandy ADD, form KW-215 is issued through E-forms.

[MS 4217](#), Coding Vocational Educational Training, is revised to change STEP to OTIS and state that OTIS will track the months of VOC to ensure the 12-month limit is not exceeded.

[MS 4220](#), Job Readiness Assistance/Job Search, is revised to change STEP to OTIS.

[MS 4230](#), Community Service, is revised to change STEP to OTIS and state the FLSA calculation is completed on OTIS prior to placing an individual in community service.

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to change STEP to OTIS and state the FLSA calculation is completed on OTIS prior to placing an individual in a WEP/COM component.

[MS 4250](#), Employment, is revised to change STEP to OTIS.

[MS 4270](#), Work Experience Program (WEP), is revised to change STEP to OTIS and state the FLSA calculation is completed on OTIS prior to placing an individual in a work experience program.

[MS 4300](#), Accident Insurance for Work Experience and Community Service Placements, is revised to change STEP to OTIS.

[MS 4350](#), Non-Core and Allowed Activities, is revised to change STEP to OTIS and to change OTH to MHA as the component code for mental health counseling. Life skills is deleted as a stand-alone activity.

[MS 4355](#), Domestic Violence Counseling, is revised to change STEP to OTIS and to allow for verification other than form PA-33, Verification of Kentucky Works Participation, to be used for participation.

[MS 4365](#), Substance Abuse Treatment, is revised to change STEP to OTIS and to allow for verification other than form PA-33 to be used for participation.

[MS 4370](#), Mental Health Counseling, is revised to change STEP to OTIS and to allow for verification other than form PA-33 to be used for participation.

[MS 4373](#), Targeted Assessment Program (TAP), is revised to change STEP to OTIS and to allow for verification other than form PA-33 to be used for participation.

[MS 4375](#), Vocational Rehabilitation, is revised to change STEP to OTIS.

[MS 4380](#), Adult Education, is revised to remove the reference to STEP.

[MS 4410](#), Staff Roles and Responsibilities, is revised to change STEP to OTIS.

[MS 4515](#), Addressing Barriers to KWP Participation, is revised to change STEP to OTIS.

[MS 4520](#), K-TAP Transitional Assistance Agreement, is revised to state the signed agreement is scanned into the category KWP of the electronic K-TAP case file.

[MS 4600](#), Options for KWP Activities, is revised to change STEP to OTIS.

[MS 4650](#), Monitoring and Tracking Participation, is revised to change STEP to OTIS. In addition, there are changes to the list of reports that will be available on OTIS. These reports will no longer be accessed by RDS/DocumentDirect.

[MS 4652](#), KWP Participation Monitoring and Tracking Process, is revised to change procedures for monitoring and tracking participation on OTIS. All forms PA-33 are issued from OTIS, either by the worker or automatically by OTIS. The PA-33 list, accessed on OTIS, replaces the HRJAS3R6, System Generated PA-33/WIN1 listing. If form PA-33 is not returned or returned incomplete, form KW-204 is issued from OTIS.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to change STEP to OTIS and to remove the charts for entering holiday or excused absence hours on the tracking screen as actual hours are entered on OTIS.

[MS 4700](#), Conciliation Process, is revised to change STEP to OTIS and to state form KW-204 is issued from OTIS.

[MS 4720](#), Sanction Exceptions and Good Cause, is revised to remove STEP references and add OTIS information.

[MS 4750](#), Applying the KWP Sanction, is revised to remove STEP and add OTIS information on applying a sanction.

[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases, is revised remove STEP references and add OTIS information concerning curing a sanction.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to change STEP to OTIS.

[MS 4790](#), Resolving Erroneous Sanctions, is revised to change STEP to OTIS.

[MS 4800](#), Unemployed Parent (UP) Participation, is revised to change STEP to OTIS.

[MS 5200](#), Introduction to Supportive Services, is revised to change STEP to OTIS.

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised to remove STEP and provide information on OTIS. In order to issue a transportation payment on OTIS, form PA-33 must be issued off OTIS. Transportation payments are deposited to the K-TAP EBT account. If there are two individuals in the case participating in KWP activities and requesting transportation, each individual has an EBT account and card. The individual who has the K-TAP EBT account accesses the transportation payments with that EBT card. The other individual has a separate EBT account and card.

[MS 5350](#), Overview of Supportive Services, is revised to change STEP to OTIS. The major change is form PA-32, Authorization for Supportive Services Payment, is issued, tracked and paid on OTIS. OTIS automatically determines the available balance before issuing form PA-32.



[MS 5355](#), Supportive Services Items Subject to \$400 Limit, is revised to remove the payment type codes as they are not used in OTIS.

[MS 5365](#), Fee Payments, is revised to change STEP to OTIS AND TO ELIMINATE THE \$200 payment limit.

[MS 5370](#), Summer School Tuition Payments, is revised to state form KW-32SS, Authorization for Summer School Payments, is issued from OTIS, and OTIS automatically monitors the amount of obligated payments as to not exceed the total funds available for the summer school session.

[MS 5375](#), Car Repairs and Expenses, is revised to change STEP to OTIS and to state OTIS monitors the obligated and paid forms PA-32 to determine the available balance.

[MS 5380](#), Remedial Health Goods/Services, is revised to change STEP to OTIS.

[MS 5385](#), Authorization and Issuance, is revised to remove STEP and add OTIS information that OTIS determines the available balance before issuing form PA-32. Also form PA-32 is issued and payments made on OTIS.

[MS 5388](#), Supportive Services Refunds and Adjustments, is revised to change STEP to OTIS.

Division of Family Support

Operation Manual  
Transmittal Letter No.429

November 1, 2012

Subject: Case Transfer, Confidentiality, E-mail, and FAD

Volume I

[MS 0060](#), Case Transfer Procedures, is revised to state for K-TAP, AFDC Related and Family Medicaid cases, with the exception of the "I" category, the case change action must pend for new verification of household composition when transferring to a new county.

[MS 0150](#), Confidentiality Requirements, is revised to state a worker is not to e-mail a recipient, power of attorney (POA), authorized representative or attorney, or provide any information through e-mail to an e-mail from a recipient, POA, authorized representative or attorney.

[MS 0180](#), Viewing of Case Record Material by Recipients and Representatives, is revised to state case material cannot be provided by e-mail and viewing the case material from the computer screen is not allowed. In addition, requested case material cannot be mailed to the client, power of attorney, authorized representative, or attorney.

Volume III

[MS 2200](#), Family Alternatives Diversion, and [MS 2203](#), FAD Eligibility Determination, are revised to state that employment or anticipated employment must be verified when determining eligibility for FAD. MS 2200, is also revised to state for income eligibility, an applicant must only meet the gross income scale for the application month. No further calculation is needed.

## Division of Family Support

Operation Manual  
Transmittal Letter No.428  
November 1, 2012

Subject: Various Manual Revisions

### Volume I

[The Table of Contents](#) is revised to add MS 1025, SNAP Electronic Benefit Transfer (EBT) Misuse.

[MS 0090](#), Returned Mail, is revised to clarify policy on acting on returned mail.

[MS 0450](#), The Hearing Process, is revised to state that the worker who made collateral contacts to verify information must also attend the hearing to avoid any "hearsay" issues.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to remove information concerning misuse of benefits. It is further revised for formatting.

[MS 1025](#), SNAP Electronic Benefit Transfer (EBT) Misuse, is created to provide information on how to proceed when a report of misuse of SNAP benefits occurs and to provide examples of misuse of benefits.

### Volume II

[MS 2300](#), Students, is revised to clarify only one parent/stepparent is allowed the exemption for the primary care of a child when used to meet student criteria. It is further revised to include information stating a spot check must be entered to determine ongoing student eligibility when the school term ends. It is also revised for formatting.

[MS 2660](#), Center Responsibilities, is revised to clarify policy on the amount of EBT benefits that a recipient is entitled to upon leaving a treatment center. It is further revised to remove the reference to filing hardcopy case records. It is also revised to clarify procedures to follow if a center is disqualified. It is also further revised for formatting.

[MS 5210](#), Excluded Income, is revised to clarify that one time only gift cards are excluded.

[MS 5220](#), Countable Income, is revised to state that ongoing gift cards are countable income.

[MS 5420](#), Medical Deductions-General, is revised to state that more or less than the last 2 months of fluctuating expenses may be used for verification of a medical deduction, if the last 2 months do not adequately represent the client's anticipated expenses.

[MS 6020](#), Caseworker Responsibilities, is revised to state that workers must thoroughly interview households who report no income as to how they are meeting their needs for such things as necessities. It is further revised for formatting.

[MS 6707](#), Simplified Reporting – Acting on Changes, is revised to add a statement to clarify procedures to follow when mail is returned.

[MS 7020](#), Verification of Questionable Information, is revised to clarify instances of questionable information when additional verification may be required. It is further revised for formatting.

[MS 7200](#), Disclosure of Information-SNAP, is revised to clarify that if KSP is requesting EBT transaction data in the course of a SNAP fraud investigation and a complete KSP-58 is received, provide the data and do not require a court order or subpoena.

[MS 7475](#), SNAP Case Documentation, is revised to remove the reference concerning documenting the number of persons included in the SNAP household as this is on the application and available in KAMES case history. It is further revised to add that documentation is required on how long a household has expenses which exceed their income. It is also revised for formatting.

Division of Family Support

Operation Manual  
Transmittal Letter No. 427  
October 1, 2012

Subject: Wait 10 Business Days Prior to Check Inquiry, Kinship Care Application and Permanency Requirements

Volume I

[MS 0110](#), Report of Nonreceipt of Benefits Issued By Check, is revised to state when a payee reports nonreceipt, loss, or theft of a check, to wait 10 business days from the daily check issuance date before completing form PAFS-60, Affidavit.

Volume III

[MS 5010](#), KC Application Process, is revised to state the approval email from Division of Protection and Permanency (DPP) Central Office is required to approve the KC application.

[MS 5055](#), Permanency Requirements, is revised to clarify the permanency review date.

## Division of Family Support

Operation Manual  
Transmittal Letter No.426  
October 1, 2012

Subject: Compromising SNAP Claims and the Annual Cost-of-Living Changes for  
Utility and Income Standards and Shelter Deduction

### Volume I

The [Table of Contents](#) is revised to change the title of MS 1140 from “Compromising Food Benefits Claims” to “Compromising SNAP Claims.”

[MS 1140](#), Compromising SNAP claims, is revised to change policy to state that the compromise of SNAP claims is determined by the Claims Management Section (CMS) and that compromise is not to be discussed or offered to an individual who states they are unable to pay a claim. Those individuals are referred to CMS.

### Volume II

The following manual sections are revised to reflect the changes that are effective October 1, 2012 due to the annual Cost-of-Living Adjustment (COLA).

[MS 5200](#), Income Eligibility Scale, is revised to reflect the annual COLA changes to the maximum and net income limits. The example in item C is also revised to reflect income changes.

[MS 5400](#), Deductions, General, is revised to reflect the annual COLA changes to the standard deduction for all households and maximum shelter deduction.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated SUA.

[MS 5498](#), Non-Heating and Non-Cooling Costs/ Basic Utility Allowance, is revised to reflect the updated BUA and telephone standard.

[MS 5500](#), Treatment of Utility Expenses, is revised to reflect the updated telephone standard and to change references from food benefits to SNAP.

[MS 5800](#), Calculations of Allotment, is revised to change references from food benefits to SNAP benefits. It is further revised to reflect the annual COLA change to the Maximum Shelter Deduction.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 425  
August 1, 2012

Subject: Revisions to Volume I and Volume II regarding CTS, Electronic Signature, DSNAP, and Various Manual Sections

### VOLUME I

The [Table of Contents](#) is revised to add [MS 0200](#), Contact Tracking System Overview.

[MS 0200](#), Contact Tracking System (CTS) Overview, is created to inform staff of using CTS to capture information regarding those who seek assistance to resolve case related issues.

[MS 0290](#), Security of EBT Cards, is revised to state that Employee B must be a staff member other than a Supervisor or eligibility worker (for example, clerical).

[MS 0380](#), Local Action On QC Findings, is revised to state that a 343.1, Response to Quality Control Errors, must be completed on all Related Observations for SNAP and to state that QC error findings should be shared with all staff to prevent the same error in the future. It is further revised to state the file the 343 in the electronic case record.

[MS 0540](#), The Appeal Board Decision, is revised to add that appeal board decisions are considered confidential case information and must only be disclosed to the recipient, the recipient's power of attorney or legal representative, or the recipient's attorney. It is also revised to indicate that a client has 30 days from the date of receipt of the Appeal Board's decision to appeal to the Circuit Court in their county of residence.

[MS 0545](#), Judicial Review of Appeal Board Decisions, is revised to state that a request must be filed within 30 days from the date of the Appeal Board's decision.

[MS 0590](#), Federal Benefit Changes, is revised to state that RSDI income is not rounded and to enter the actual NET RSDI amount on KAMES unless there is an overpayment from the same source.

[MS 1070](#), Administrative Disqualification Hearings, and [MS 1080](#), Administrative Disqualification Hearing Process Flow Chart, are revised to state that a client has 30 days to appeal a final order. MS 1070 is also revised to remove the reference to certified mail.

### VOLUME II

The [Table of Contents](#) is revised to change the title of [MS 2002](#) from "Use of Food Benefits" to "Use of SNAP Benefits", to add [MS 6125](#), Electronic Signature, to change the title of [MS 7200](#) from "Disclosure of Information- Food Benefits" to "Disclosure of Information-SNAP", to change the title of [MS 7475](#) from "Food Benefits Case Documentation" to "SNAP Case Documentation" and to add the following manual sections for DSNAP:

- [MS 9005](#), DSNAP Eligibility

- [MS 9010](#), DSNAP Income Limits
- [MS 9015](#), DSNAP Allotment
- [MS 9020](#), DSNAP Caseworker Responsibilities
- [MS 9025](#), Dual Participation
- [MS 9030](#), DSNAP Fair Hearings
- [MS 9035](#), DSNAP Electronic Benefit Transfer (EBT) Issuance
- [MS 9040](#), DSNAP EBT Card Security

[MS 2002](#), Use of Food Benefits, is revised to change the title to “Use of SNAP Benefits”, to change all the references from food benefits to SNAP benefits and to state that the EBT card cannot be used to pay on a charge account.

[MS 2040](#), Irregular Household Members, is revised for formatting.

[MS 5300](#), Types of Self-Employment Income, is revised for formatting.

[MS 5450](#), Dependent Care Deduction, is revised to clarify policy on how to determine the allowable cost of transportation.

[MS 6020](#), Caseworker Responsibilities, is revised to include that caseworkers must explain eligible/ineligible food purchases and uses of the EBT card to clients, to ensure all required forms are completed and to incorporate electronic case file (ECF) information.

[MS 6125](#), Electronic Signature, is created to issue policy and procedures on accepting electronic signatures.

[MS 6707](#), Simplified Reporting-Acting on Changes, is revised to include that workers are to act on batch matches.

[MS 7200](#), Disclosure of Information – SNAP, is revised to change the wording of Food Benefits to SNAP. It is further revised to reformat for clarity.

[MS 7475](#), SNAP Case Documentation, is revised to include that documentations must include a statement that all required forms were given.

[MS 9000](#), Disaster- General Overview, is revised to provide more detailed information on how a disaster is declared.

[MS 9005](#)- [MS 9040](#), as listed above are created to issue policy and procedures for the DSNAP.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 424  
August 1, 2012

Subject: Removing reference to Forms PAFS-203, PAFS-116, and PAFS-202

### Volume I

[MS 0130](#), Documentation, is revised to state case comments **MUST** contain a statement that rights and responsibilities were explained and were understood by the client and that all required forms were given to the client.

### Volume II

[MS 2790](#), Regional Responsibilities for DAA and GLA Facilities, formerly Regional Responsibilities for DAA's and GLA's, is revised to remove reference to form PAFS-203, Checklist of Factual Information. It is further revised to correct grammatical inaccuracies and for clarity.

### Volume IIA

[MS 1550](#), Work Registration Procedures, and [MS 1700](#), Loss of Exemption, are revised to remove reference to form PAFS-203.

### Volume III

[MS 2158](#), Electronic Case File Content, is revised to remove the reference to form PAFS-203.

### Volume IV

[MS 1212](#), Family MA Interview Process, is revised to remove the references to form PAFS-116, Case History Folder, and form PAFS-202, KAMES Organizational Checklist. It is further revised to remove reference to form KIM-1 being used as a pre-screening form.

[MS 2250](#), Worker Responsibilities, is revised to remove the reference to form PAFS-203.

[MS 2670](#), "U" Children, is revised to remove the references to form PAFS-116, form PAFS-202 and form PAFS-203.

### Volume IVA

[MS 1372](#), Adult MA Interview Process, is revised to remove the references to form PAFS-116 and form PAFS-202. It is further revised to remove reference to form KIM-1 being used as a pre-screening form.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 423  
July 11, 2012

Subject: Incorporation of Volume VI and Various Changes.

This OMTL is created to incorporate Volume VI into various volumes and manual sections as Volume VI is now obsolete. It is further created to clarify that a Medicaid case is carried in the county where a member resides, regardless if the member has a statutory benefit payee or representative residing in another county or out of state.

### VOLUME I

The [Table of Contents](#) is revised to add [MS 0430](#), Profile Selection.

[MS 0020](#), General Case Processing, is revised to incorporate Vol. VI, MS 1010, Shared Information and MS 4030, Case Number at Reapplication as Volume VI is now obsolete. It is further revised for clarity and to state that the worker cannot provide case status information or inquire the case for a relative.

[MS 0430](#), Profile Selection, is created to incorporate Vol. VI, MS 1265, Profile Selection as Volume VI is now obsolete.

### VOLUME IV

The [Table of Contents](#) is revised to add [MS 1560](#), IM No Show Recertifications.

[MS 1200](#), Right to Apply, is revised to clarify that an individual can apply or return verification to any county. Action must be taken to forward all verification to the appropriate county where the application is to be carried.

[MS 1205](#), Taking the Family/AFDC-Related MA Application, is revised to remove the reference that an application can be carried in the statutory benefit payee's county of residence. The case must be carried in the recipient's county of residence.

[MS 1560](#), IM No Show Recertifications, is created to incorporate Vol. VI, MS 4305, IM No Show Recertification as Volume VI is now obsolete.

[MS 2410](#), The Specified Relative (SR) and the Second Parent, is revised to incorporate Vol. VI, MS 1640, Death of the SR During Pending Application as Volume VI is now obsolete. It is further revised to clarify that if the SR is a relative other than a parent, they are considered a non-responsible SR.

[MS 3450](#), Income Scales, is revised for clarity and to include that if total countable income is over the appropriate MA scale, spend down eligibility should be explored.

### VOLUME IVA

The [Table of Contents](#) is revised to add [MS 1505](#), IM No Show Recertifications, and to remove MS 1373, Taking The Adult MA Application, as it has been incorporated into [MS 1370](#), Application Process. It is further revised to change the title of [MS 1370](#), Application Process.

[MS 1370](#), Application Process, is revised to change the title and incorporate Vol. IVA, MS 1373 as it is now obsolete. It is further revised for clarity and to update links to manual sections.

[MS 1378](#), Caseload Responsibility, is revised to clarify a case is carried in the county of the recipient's residence regardless if there is a statutory benefit payee or representative residing in another county or out of state.

[MS 1505](#), IM No Show Recertifications, is created to incorporate Vol. VI, MS 4305 IM No Show Recertification as Volume VI is now obsolete. It is further revised for clarity.

[MS 2190](#), Income Limits, is revised for clarity.

## VOLUME VI

Volume VI is now obsolete in its entirety as all information has been incorporated into the appropriate manual sections or obsoleted.

Subject: Various Revisions to Volume IVA

This OMTL is created to incorporate policy regarding the age limit to receive State Supplementation. Due to a change in Kentucky state law, an individual under 18 years of age is no longer eligible to receive State Supplementation payments. It is also created to incorporate various revisions to caretaker services.

It is further created to clarify that ALL Adult MA cases with a prearranged funeral contract over \$10,000, are forwarded to MSBB for DMS review.

#### VOLUME IVA

The [Table of Contents](#) is revised to remove MS 5145 as this is obsolete.

[MS 2031](#), Overview Of Burial Reserves, is revised to clarify that ALL Adult MA cases that have a burial reserve over \$10,000, are forwarded to MSBB for DMS approval.

[MS 2032](#), Burial Reserve Definitions, is revised to clarify that ALL Adult MA cases that have a prearranged funeral contract over \$10,000, are forwarded to MSBB for DMS review.

[MS 2037](#), Prearranged Funeral Contract, is revised to clarify that ALL Adult MA cases that have a prearranged funeral contract over \$10,000, are forwarded to MSBB for DMS review. It is also revised to clarify that any interest or dividends that accrue on a prearranged funeral contract are excluded, regardless, if it is before or after case approval.

[MS 4900](#), State Supplementation Payments (SSP) Overview, is revised to add that State Supplementation payments shall be issued for an eligible individual 18 years of age or older who reside in a PCH, FCH, or receive caretaker services. The payment is considered the individual's money. It is the responsibility of the individual to pay the home or caretaker.

[MS 5060](#), Caretaker Services, is revised to define caretaker services and change the age limit to receive State Supplementation. It is also revised to clarify that a written statement from the caretaker must be provided at application and recertification and state:

- The types of services the caretaker is providing;
- The services the caretaker is providing allows the individual to live at home, in some other family setting or in a room or board situation instead of being institutionalized;
- How often each service is provided; and
- How much and how often payment is made for service.

It is further revised to clarify that a written statement from a medical provider must be provided at application and recertification to verify that services provided prevent institutionalization and the statement must contain the medical condition that

prevents the individual from caring for themselves and the types of services needed to prevent institutionalization.

[MS 5110](#). Introduction to Income, is revised to remove the statement “minus the \$40 personal needs allowance”. The \$40 personal needs allowance is included in the individual’s State Supplementation amount.

MS 5145, Elder Shelter Network, is obsolete as this organization no longer exists.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 421  
July 1, 2012

Subject: Spousal Impoverishment Standards

The community spouse shelter allowance, community spouse minimum income allowance, family member income allowance and Substantial Gainful Activity (SGA) limits increased July 1, 2012.

### VOLUME IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to incorporate the increase in the minimum shelter allowance to \$568 and minimum income allowance to \$1,892 for the community spouse. It is further revised to incorporate the increase in the family member income allowance to \$1,892.

[MS 3550](#), LTC Individual with Community Spouse, is revised to incorporate the increase in the minimum shelter allowance to \$568 and minimum income allowance to \$1,892 for the community spouse. It is further revised to incorporate the increase in the family member income allowance to \$1,892.

[MS 3910](#), Medicaid Works Application, is revised to incorporate the increase in the SGA limit to \$1,010 for the disabled and \$1,690 for the blind which were effective 1/1/12.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 420  
July 1, 2012

Subject: 6-Month Review Revisions, Numerous Volume II Revisions

### VOLUME II

[MS 5210](#), Excluded Income, is revised for clarity and to add examples of excluded financial assistance provided to individuals directly affected by a natural disaster.

[MS 5220](#), Countable Income, is revised for clarity and to correct a typographical error.

[MS 5480](#), Disallowable Shelter Costs, is revised for clarity and to state that a utility or shelter expense which is reimbursed or paid by a vendor payment is disallowed.

[MS 5820](#), Rounding, is revised for clarity and to state that RSDI income is not rounded. It is also revised to instruct workers to enter the actual NET RSDI amount or the amount received after the RSDI overpayment amount is deducted from the NET amount.

[MS 6020](#), Caseworker Responsibilities, and [MS 6400](#), Overview of Application Time Standards, are revised to add policy and procedures on the new KAMES question "Is APP/RECERT READY TO DISPOSE?". [MS 6400](#) is also revised for formatting.

[MS 6450](#), Special Issuance Timeframes For Expedited Services, is revised for clarity and to instruct workers to enter the date the signed application is returned on KAMES in the "Signed APP Return Date" field and change the "Date Determined Expedited" field to match the date in the "Signed APP Return Date" field to ensure the case does not appear as past due.

[MS 6480](#), SNAP 6-Month Review Overview, is revised for clarity and to state that form FS-2, SNAP 6-Month Review, is automatically generated to households during the 5<sup>th</sup> month of certification.

[MS 6485](#), SNAP 6-Month Review Processing, is revised for clarity and to remove the incomplete reason codes that are no longer applicable to the review process.

[MS 6490](#), SNAP 6-Month Review Verification Requirements, is revised for clarity and to remove items that no longer need to be verified during the 6-month review process.

[MS 6765](#), Acting on Change of Address, is revised for clarity and to state that in order to get a case to pend for verification of residency, the worker must make some type of change to the client's address and leave out the verification source. It also instructs that this will allow the system to generate an RFI and take appropriate action on the case if the verification is not returned timely. It is further revised to instruct workers that when a client reports a change of address, they should advise the client that they should notify the postmaster that they do receive mail at this address. This will help ensure clients receive their mail at the new address.

[MS 8100](#), Issuance Cycle, is revised to include the reason codes for first, second, third, daily, and aggregate issuances.

[MS 8220](#), Authorizing Replacements due to a Casualty Loss, is revised to remove the reference to a specific amount of time that must elapse before a replacement for loss can be authorized. It is further revised to offer guidance for investigating a replacement request and for clarity.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 419  
June 1, 2012

Subject: Revisions Concerning ECF, Time-Limited Deductions, Transportation, and Summer School Tuition Payments

### Volume I

[MS 0021](#), General Overview of KAMES Inquiry, is revised to state Option 1 allows access to the Knowledge Lake Capture Program.

[MS 0030](#), Case Record, is revised to incorporate the Electronic Case File (ECF).

[MS 0040](#), Purging Obsolete Case Material, is revised to state that existing hardcopy case records are retained following normal purging procedures

[MS 0060](#), Case Transfer Procedures, is revised to state that hard copy case records will continue to be forwarded to recipient's new county of residence. Form PAFS-116 Case History Folder is annotated to state ongoing documentation is available in the ECF.

[MS 0090](#), Returned Mail, is revised to state that all returned correspondence is scanned into the Electronic Case File (ECF).

### Volume III

The [Table of Contents](#) is revised to rename [MS 2158](#), Electronic Case File Content.

[MS 2005](#), TANF Benefit Tracking is revised to state that exemptions TE, UE, YE, FE and VE can no longer be added by field staff. It is also revised to state form PAFS-28, Out of State Inquiry, is scanned into the ECF.

[MS 2158](#), Case Record Content, is renamed Electronic Case File Content and revised to incorporate the ECF.

[MS 2195](#), Return of TANF Benefits, is revised to state that KAMES comments are annotated to show the individual returned benefits. It is no longer necessary to update the case record. It is also revised to state form PAFS-61, Request to Cancel Check, is scanned into ECF.

[MS 2203](#), FAD Eligibility Determination, is revised to state that FAD forms and verification are scanned into the ECF.

[MS 2520](#), Two Month Earned Income Exclusion, is revised to state that it is no longer necessary to annotate from PAFS-116, Case History Folder, with information concerning the months of earned income exclusion. KAMES comments should reflect the individual's choice. In addition, when new employment is entered on KAMES, the worker should check the Member General Information screen to determine if the \$30 and 1/3 and \$30 month questions have been reset to 4 and 8 respectively.

[MS 2857](#), Time-Limited Deductions, is revised to state when new employment is entered on KAMES, the worker should check the Member General Information screen

to determine if the \$30 and 1/3 and \$30 month questions have been reset to 4 and 8 respectively.

[MS 3790](#), RAP Payment Procedures, is revised to remove the reference to manually tracking relocation assistance payments on form PAFS-116, Case History Folder.

[MS 5100](#), Reapplication for Kinship Care Benefits, is revised to state that forms KIM-78KC, Kinship Care Financial Assistance Application and KC-14, Kinship Care Rights and Responsibilities, should be scanned in the ECF at reapplication and referenced in KAMES comments ongoing.

#### Volume IIIA

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised to match the language on form PA-33, Verification of Kentucky Works Participation.

[MS 5370](#), Summer School Tuition Payments, is revised to delete the requirement of sending only the total obligated amount as of a report date. Form KW-32L is provided to the Family Self-Sufficiency Branch.

Division of Family Support

Operation Manual  
Transmittal Letter No. 418  
May 1, 2012

Subject: Web 117 Case Review Application Changes

Volume I

[MS 0410](#), The DCBS Case Review Web 117 Application, is revised to incorporate system changes which include 117 case reviews deletions.

Volume III

[MS 2880](#), Determining a K-TAP Ineligibility Period, is revised to include instructions for entering the ineligibility period on KAMES. This information was previously located in Volume VI.

Division of Family Support

Operation Manual  
Transmittal Letter No. 417  
April 1, 2012

To: All Field Staff

Subject: Miscellaneous Revisions to Volume I

Volume I

[MS 0910](#), Referral of Claims to the Office of Inspector General (OIG), is revised to add that cases suspected of fraud in the Low-Income Home Energy Assistance are referred to OIG. Claims maintained on the Electronic Case Filing application do not need to be scanned and emailed to OIG and claims that are sent back to the local office for administrative action from OIG due to 90 day timeframe, can be resubmitted to OIG using a new form PAFS-88.

[MS 0920](#), Fraud "Hotline" Referrals, is revised to add language stating that when a fraud referral is received based on a trafficking allegation, refer to [MS 1020](#) Trafficking and Retailer Fraud.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to clarify that a suspected trafficking allegation of \$500 or more is referred to OIG. Workers are to use KAMES to generate an agency conference notice to discuss the trafficking allegations with the recipient, pending trafficking claims are entered on the Kentucky Claims Debt (KCD) Management System and that a client can only sign one FS-80A Voluntary Waiver of Administrative Disqualification Hearing to accept a disqualification for an Intentional Program Violation.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 416  
April 1, 2012

Subject: Two-Month Earned Income Exclusion, Contract Employment, and WIN  
Income Levels

### Volume I

[MS 0001](#), Family Support Manuals and Program Instructions, is revised to remove the KAMES and STEP instructions from the Operation Manual, expand the explanation of the Forms Manual, remove FAD, SDX, and the EZ system from the Computer Manual, and add information about the User Guides.

[MS 0055](#), Kentucky Enterprise User Provisioning System (KEUPS), is revised to add the link to the KEUPS User Guide.

### Volume III

[MS 2520](#), Two Month Earned Income Exclusion, is revised to reinstate a K-TAP case that discontinued for failure to return verification if the individual returns verification within the adverse action period and to allow the income exclusion.

[MS 2730](#), Contract Employment, is updated to include an example of how to budget Michelle P. Waiver income.

[MS 3850](#), WIN Eligibility, is revised to update the WIN Income Levels to reflect the increase in the federal poverty levels.

### Volume IIIA

[MS 4505](#), Mental Health Assessment, is revised to update form name of MRT-15 to correct the cabinet's name.

Subject: Income Eligibility Standards for 2012

This OMTL is created to advise of the increased income eligibility standards for Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), Qualifying Individual (QI1), Qualified Disabled Working Individual (QDWI), "I" and KCHIP categories that are changed effective April 1, 2012.

#### VOLUME IV

[MS 3450](#), Income Scales, is revised to incorporate the increased income standards for 2012.

#### VOLUME IVA

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is revised to incorporate the increased SGA income standards for 2012. It is also revised for clarity.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to incorporate the increased income standards for 2012.

[MS 4330](#), Financial Eligibility, is revised to incorporate the increased QDWI income standards for 2012.

[MS 4455](#), Income Limits for Medicare Savings Program, is revised to incorporate the increased QMB, SLMB and QI1 income standards for 2012.

MS 4570, Specified Low-Income Medicare Beneficiaries (SLMB) Resources, is obsolete as this manual section was previously incorporated into [MS 4450](#), Resource Limits for Medicare Savings Program.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 414  
March 5, 2012

Subject: Revisions to State Supplementation Standards, PA-9 Address, Daily Transfer of Resource Factor, and LTC Insurance Payments

### VOLUME IVA

[MS 2080](#), Consideration of Transferred Resources, is revised to change the daily transfer of resource factor to \$196.31 effective 1/1/12. Some examples were also revised due to the change to the daily transfer of resource factor.

[MS 2310](#), Long Term Care Insurance, is revised to state that LTC insurance payments paid directly to an individual are considered reimbursements for medical services. The payment is countable only in the determination of patient liability. Any payment paid directly to an individual from a third party will be displayed as an LTC Reimbursement. It is further revised to add the system entry procedures for entering LTC insurance payments on KAMES.

[MS 3460](#), Countable Income for Patient Liability Determination, is revised to state that long term care insurance payments, if paid directly to the individual, are considered reimbursements for medical services. The money is countable only in the determination of patient liability.

[MS 4150](#), Pass Through Overview, is revised to remove Frankfort from where the form PA-9 is mailed due to procedural changes. It is further revised to add the new address to where form PA-9 is mailed.

[MS 4230](#), Income Calculation, is revised to remove Frankfort from where the form PA-9 is mailed due to procedural changes. It is further revised to add the new address to where form PA-9 is mailed.

[MS 4910](#), SSP Standards, is revised to change the following standards due to an increase effective 1/1/12:

- Personal Care Home (PCH) increased to \$1,218;
- Family Care Home (FCH) increased to \$870;
- Single individual in own home or receiving room, board and care increased to \$760; Eligible (aged, blind or disabled) individual with ineligible (neither aged, blind nor disabled) spouse increased to \$760;
- Couple, both eligible (both aged, blind or disabled) but only 1 requiring care increased to \$1,109; and
- Couple, both eligible (both aged, blind, or disabled) and both requiring care increased to \$1,163.

[MS 5180](#), Category Change, is revised to add that if a member in a J, K, or M vendor payment case is approved for SSI, the worker can answer "Y" to "Is he/she receiving SSI?" on screen HRKIMA0F. KAMES will allow the worker to alternate program to corresponding long term care (LTC) SSI case A, B, or D. If action hasn't been taken by SDX cutoff, KAMES will automatically alternate program the J, K, or M case to A, B, or D case as appropriate. It is further revised to remove information about entering an application on the PA-62 system.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 413  
March 1, 2012

Subject: Revisions to Case Responsibility, Interpreter Services, Extension of 60 Month Lifetime Limit, Qualified Aliens, and RN and LPN Authorization

### Volume I

[MS 0050](#), County of Case Responsibility, is revised to state cases with a statutory benefit payee, committee, or guardian are carried in the county where the recipient resides regardless if the payee, committee or guardian is located in or out of Kentucky. Exceptions to this rule are DJJ cases are handled in the county where the DJJ worker is located, and SAFE cases are handled by Central Office.

[MS 0220](#), Interpreter Services for Deaf and Hard of Hearing Individuals, and [MS 0230](#), Limited English Proficiency (LEP), are revised to update instructions for payment of interpreter services.

### Volume III

[MS 2003](#), Extension of 60-Month Lifetime Limit, is revised to align the extension requirements with the regulation. Items B and C are revised to state the individual must continue to comply with child support requirements while receiving the extension. Item E is revised to state the individual must be in compliance with KWP and child support requirements to be eligible for the extension and must continue to comply with KWP and child support while receiving the extended benefits.

[MS 2300](#), Criteria for Qualified Aliens, is revised to clarify that becoming a permanent resident does not negate the original entry status of a qualified alien.

### Volume IIIA

[MS 5390](#), RN and LPN Licensing Authorization, is revised to update the procedure of issuing forms PA32, Authorization for Supportive Services Payments, for licensing fees to the Kentucky Board of Nursing and exam fees to NCLEX.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 412  
January 1, 2012

Subject: Removal of Lock-In Policy and Miscellaneous Changes

This OMTL is created to remove policy regarding Lock-In, KHIPP and KenPAC as these are programs that no longer exist. It is further created to obsolete outdated manual sections found in Volume VI and to revise miscellaneous manual sections which needed policy updates.

### VOLUME I

[MS 0021](#), General Overview of KAMES Inquiry, is revised to incorporate Volume VI, [MS 1460](#), regarding how to inquire an out-of-state LTC provider.

[MS 0470](#), Medicaid Hearing Request Due to the Loss of SSI, is revised to add a statement regarding procedures that are to be followed when an SSI individual contacts the local DCBS office regarding the loss of their Medicaid benefits.

[MS 0710](#), Kames Matches, is revised to:

- \* Update the variance for Batch Matches from \$75 to \$500 a quarter, which will be effective 1/3/12;
- \* Incorporate Volume VI, MS 1270, and MS 1280 regarding how to resolve SSN/Name matches; and
- \* Explain that at case disposition the question, " IF IEVS RELATED ACTION, ENTER CODE. IF NON-IEVS, ENTER NA: \_\_\_" should **ALWAYS** be answered "NA" unless a batch match was resolved with the case action.

### VOLUME IV

The [Table of Contents](#) is revised to rename [MS 1050](#).

[MS 1050](#), Family and AFDC-Related Definitions, is revised to remove any references to Lock-In as this program no longer exists. It is further revised to change the title to Family and AFDC-Related MA Definitions.

[MS 1330](#), Authorized Representative (AR), is revised to:

- \* Clarify that inability to declare intent does not apply to hospitalization;
- \* Update the DMS web address (this will need to be copied and pasted in the URL address line to access);
- \* Update the manual section referring to HIPAA;
- \* Include that a form MAP-14 is not required for a court appointed guardian; and corrections to wording.

[MS 2037](#), Criteria for Qualified Aliens, is revised to:

- \* Separate the policy into two main sections. A section for qualified aliens who are subject to the 5 year date of entry Medicaid ban and the qualified aliens who are not subject to the ban;

- \* Add policy regarding children under the Child Citizenship Act of 2000, who automatically acquire citizenship on the date that all of the following requirements are satisfied:

1. At least one parent is a U.S. citizen whether by birth or naturalization;
2. The child is under 18 years of age; and
3. The child is residing in the United States in the legal and physical custody of the citizen parent pursuant to a lawful admission for permanent residence.

- \* Reformat for clarity.

[MS 2645](#), Private Non-Profit Adoptions Overview, is revised to:

- \* Clarify policy regarding Non-Profit Adoption agencies that are exempt from the affidavit and Medicaid reimbursement requirements. Any non-profit adoption agency that is registered with the Office of the Inspector General (OIG) meets the exemption criteria; and
- \* Reformat and edit for clarity.

[MS 2860](#), "Y" Children, is revised to include a note that children under the age of 18, not living with a parent or caretaker relative, may have a case established in their name.

[MS 2870](#), "I" Children, is revised to include a note that children under the age of 18, not living with a parent or caretaker relative, may have a case established in their name.

[MS 3400](#), Excluded Resources, is revised to clarify that all Agent Orange payments are excluded.

[MS 3785](#), Workforce Investment Act (WIA), is revised to clarify that income funded under this act is treated differently dependent on the age of the individual. For a child, earning and needs-based payments are excluded. For the specified relative or the second parent, only payments made for but not to the client and reimbursement for transportation are excluded.

[MS 3850](#), Excluded Income, is revised to clarify that all Agent Orange payments are excluded.

[MS 4140](#), Local Office Responsibilities for EPSDT, is revised to remove the reference that local DCBS staff are to issue vendor payment for children receiving EPSDT.

## VOLUME IVA

The [Table of Contents](#) is revised to rename [MS 1010](#). It is further revised to:

Remove: MS 1050, MS 1250, MS 1260, MS 1270, MS 1280, MS 1290, MS 1300, MS 1310, MS 1320, MS 1330, MS 1920 and MS 5120.

[MS 1010](#), Definitions, is revised to:

- \* Remove “monthly rate for Medicaid recipient”;
- \* Clarify that the community spouse can’t be incarcerated;
- \* Clarify a home can be shelter alone or shelter and land;
- \* Remove any references to Lock-In as this program is no longer under the responsibility of DCBS. With the expansion of managed care this program is now under the MCOs; and
- \* Change the title to Adult MA Definitions.

MS 1050, Introduction, is obsolete as the manual section is one line that does not address any major policy.

MS 1250, DCBS Responsibilities, is obsolete as the content referring to EPSDT services is found in other sections of both Volume IV and IVA. It is also obsolete as it references Lock-In which no longer exists due to the expansion of managed care.

The following Lock-In manual sections are obsolete as DCBS is no longer responsible for this program. With the expansion of managed care, this program will now be under the MCOs.

MS 1260, Lock-In;  
 MS 1270, Over-Use Identification;  
 MS 1280, Lock-In Restrictions;  
 MS 1290, Lock-In Procedures;  
 MS 1300, Lock-In Change;  
 MS 1310, DMS Responsibilities;  
 MS 1320, Removing Lock In; and  
 MS 1330, Lock-In Rights;

[MS 1350](#), Application for Entitled Benefits, is revised to clarify that a community spouse is not required to take available disbursements from their retirement accounts, but the required minimum withdrawal is still considered as income towards him/her.

[MS 1353](#), Eligibility for Entitled Benefits, is revised to state that an individual cannot be required to take Medicare Part B if the premium would not be covered by Medicaid through the buy-in program.

[MS 1371](#), Authorized Representative (AR), is revised:

- \* to clarify that inability to declare intent does not apply to hospitalization;
- \* update the DMS web address (this will need to be copied and pasted in the URL address line to access);
- \* update the manual section referring to HIPAA;
- \* include that a MAP-14 is not required for a court appointed guardian; and
- \* corrections to wording.

[MS 1577](#), Criteria for Qualified Aliens, is revised to:

- \* Separate the policy into two main sections. A section for qualified aliens who are subject to the 5 year date of entry Medicaid ban and the qualified aliens who are

not subject to the ban;

- \* Add policy regarding children under the Child Citizenship Act of 2000, who automatically acquire citizenship on the date that all of the following requirements are satisfied:

1. At least one parent is a U.S. citizen whether by birth or naturalization;
2. The child is under 18 years of age; and
3. The child is residing in the United States in the legal and physical custody of the citizen parent pursuant to a lawful admission for permanent residence.

- \* Reformat for clarity.

[MS 1880](#), Excluded Resources, is revised to add Energy Employees Occupational Illness Compensation (EEOIC) to the list of excluded resources and to clarify that all Agent Orange payments are excluded.

[MS 1900](#), Life Expectancy Table, is revised to update the life expectancy table to the 2007 figures as these are the most current figures per the Social Security Administration (SSA).

MS 1920, Earned Income Tax Credit, is obsolete as this policy no longer applies per FSM-11-02-04, the Earned Income Tax Credit is excluded as income and resources for 12 months from the month of receipt.

[MS 1990](#), Non-Recurring Lump Sum Income, is revised to give a more detailed explanation of what non-recurring lump sum income is and how it is considered. It is further revised to match it up with policy in volume IV.

[MS 2037](#), Prearranged Funeral Contracts, is revised to clarify that we cannot compel out of state funeral homes to follow Kentucky policy regarding prearranged funerals.

[MS 2320](#), Other Unearned Income, is revised to add a note that if a recipient has two IRA's, they may receive payment from one account if written verification is received stating the disbursement is based on the value of both IRA's.

[MS 2330](#), Promissory Notes, Loans, Mortgages, Land Contracts, is revised to clarify that if a balance remains on the loan upon the death of the lender, it must be designated to the estate of the deceased in order for the promissory note to be considered valid.

[MS 2470](#), Excluded Income, is revised to include that for an eligible blind or disabled child, KAMES excludes one-third of child support received for Medicaid eligibility but counts the entire amount received for patient liability. It has also been clarified that all Agent Orange payments are excluded.

[MS 2800](#), Consumer Directed Option (CDO), is revised to clarify that a recipient can receive State Supplementation for Caretaker services and CDO for Adult Day services, if no duplication of services exists.

[MS 3505](#), Qualifying Income Trust (QIT), is revised to state that a QIT is not required in order to complete a resource assessment.

[MS 5110](#), Introduction to Income, is revised to incorporate MS 5120.

MS 5120, Deductions/Exclusions, is obsolete as it has been incorporated in [MS 5110](#).

## Volume VI

The [Table of Contents](#) is revised to obsolete the following manual sections: MS 1270, MS 1280, MS 1460, MS 1465, MS 1490, MS 2250, MS 2300, MS 2310, MS 2400, MS 2410, MS 4110 and MS 5310.

MS 1270, SSN/Match, is obsolete and incorporated into Volume I, [MS 0710](#).

MS 1280, SSN/Name Match Procedures, is obsolete and incorporated into Volume I, [MS 0710](#).

MS 1460, Out-of-State Providers, is obsolete and incorporated into Volume I, [MS 0021](#).

MS 1465, KenPAC Inquiry, is obsolete as KenPAC no longer exists.

MS 1490, History, is obsolete as the information contained in this section references navigational training that is not relevant to DCBS staff.

MS 2250, Health Insurance, is obsolete as this is incorporated into Volume IV, [MS 2100](#).

MS 2300, KHIPP Exempt Code, is obsolete as it references KHIPP and KenPAC which no longer exist.

MS 2310, KenPAC Disenrollment, is obsolete as KenPAC no longer exists.

MS 2400, Lock-In, is obsolete as DCBS is no longer responsible for this program. With the expansion of managed care this program will now be under the MCOs.

MS 2410, Restarting Lock-In, is obsolete as DCBS is no longer responsible for this program. With the expansion of managed care this program will now be under the MCOs.

MS 4110, Shared Address, is obsolete as policy that still applies was incorporated into Volume I, [MS 0060](#), in a previous OMTL. It is also obsolete as references to regarding companion cases no longer being able to have separate addresses on KAMES and KenPAC no longer apply.

MS 5310, Replacement Cards, is obsolete as the policy addresses reissuing the paper Medicaid cards which no longer exist.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 411  
January 1, 2012

Subject: Electronic Income Verification (EIV) and Medicaid Standards for 2012

This OMTL is created to incorporate policy regarding utilizing electronic income verification sources. Electronic Income Verification (EIV) is a method of obtaining verification of a client's earned income online. An online service may be used to assist clients when verification of earned income is not readily available and the client advises the worker that verification of the income is available by a free on-line service.

It is also created to incorporate the revisions of Medicaid income and resource standards effective January 1, 2012.

Individuals with Social Security, SSI and VA income will receive a 3.6 % cost of living increase in those benefits. The Medicare Part B (SMI) premium is changing to \$99.90.

### VOLUME I

The [Table of Contents](#) is revised to add [MS 0131](#), Electronic Income Verification (EIV).

[MS 0131](#), Electronic Income Verification (EIV), is created to incorporate policy regarding utilizing electronic income verification sources.

[MS 0140](#), Acronyms, is revised to add Electronic Income Verification (EIV) to the list of acronyms used for all programs.

### Volume II

[MS 2000](#), Definitions, is revised to provide the definition of Electronic Income Verification (EIV).

[MS 7000](#), Required Verification at Application, is revised to provide a link to Volume I, [MS 0131](#), on acceptable EIV.

[MS 7030](#), Required Verification at Recertification, is revised to provide a link to Volume I, [MS 0131](#), on acceptable EIV.

[MS 7050](#), Sources of Verification, is revised to provide a link to Volume I, [MS 0131](#), on acceptable EIV.

[MS 7090](#), Method of Providing Verification, is revised to provide a link to Volume I, [MS 0131](#), on acceptable EIV.

### Volume III

[MS 2500](#), Income General Information, is revised to add Electronic Income Verification (EIV) as acceptable documentation for earned income and a link to Volume I, [MS 0131](#) on acceptable EIV.

[MS 2715](#), Tips, is revised to add that countable tip income does not include the allocated or tip credit reported by the employer for tax purposes which may appear on Electronic Income Verification (EIV).

## VOLUME IV

The [Table of Contents](#) is revised:

- To add MS 3471, Electronic Income Verification (EIV);
- To change the name of MS 3710 to Wages for Family MA;
- To change the name of MS 3720 to Tips for Family MA;
- To change the name of MS 4420 to Wages for AFDC Related MA; and
- To change the name of MS 4425 to Tips for AFDC Related MA.

[MS 3471](#), Electronic Income Verification (EIV), is created to incorporate policy regarding utilizing electronic income verification sources.

[MS 3710](#), Wages, is revised to change the title to Wages for Family MA. It is further revised to add Electronic Income Verification (EIV) as a type of verification source and formatting. Manual material from [MS 4420](#) was added for consistency purposes.

[MS 3720](#), Tips, is revised to change the title to Tips for Family MA. It is further revised to add that Electronic Income Verification (EIV) cannot be used to verify earned income if tips are included in the gross amount. Tips are verified by a daily tip log. It has further been revised for formatting. Manual material from [MS 4425](#) was added for consistency purposes.

[MS 4420](#), Wages, is revised to change the title to Wages for AFDC Related MA. It is further revised to add Electronic Income Verification (EIV) as a type of verification source.

[MS 4425](#), Tips, is revised to change the title to Tips for AFDC Related MA. It is revised to add that Electronic Income Verification (EIV) cannot be used to verify earned income if tips are included in the gross amount. Tips are verified by a daily tip log.

## VOLUME IVA

The [Table of Contents](#) is revised to add [MS 2461](#), Electronic Income Verification (EIV).

[MS 1750](#), Introduction to Financial Eligibility, is revised to change the following standards:

- The Supports for Community Living (SCL) waiver standard is increased to \$4,151;
- The Community Spouse Resource Allowance minimum is increased to \$22,728 and the maximum to \$113,640;
- The Community Spouse Income Allowance maximum is increased to \$2,841;
- Family Member Income Allowance Standard is \$1,839 effective 7/1/11.

- The Personal Needs Allowance for Waiver/Non-Institutionalized Hospice to \$718;
- The Special Income Standard for wavier and nursing facility cases is increased to \$2,094;
- Blind or Disabled Child Allocations:
  - The ineligible sibling allocation is increased to \$349;
  - The Parent Allocation for Unearned Income is increased:
    - One parent \$738
    - Two parents \$1,088
  - The Parent Allocation for Earned Income is increased:
    - One parent \$1,521
    - Two parents \$2,221;
- The Medicaid Works unearned income limit is increased to \$718;

[MS 1975](#), Recognition of an Institutionalized Individual's Homestead Resources, is revised to increase the home equity limit to \$525,000 and to update the list of waiver categories.

[MS 2135](#), Community Spouse Resource Allowance Calculation, is revised to increase the community spouse minimum and maximum resource allowance.

[MS 2460](#), Wages, is revised to add Electronic Income Verification (EIV) as a type of verification source.

[MS 2461](#), Electronic Income Verification (EIV), has been created to incorporate policy regarding utilizing electronic income verification sources.

[MS 3550](#), LTC Individual with Community Spouse, is revised to increase the community spouse maximum income allowance, the special income standard and the family member income allowance standard.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to increase the unearned income limit to match the new SSI standard.

[MS 4330](#), Financial Eligibility, is revised to add resource limits and clarity.

[MS 4450](#), Resources Limits for Medicare Savings Plan, is revised to increase the resource limits for a family size of one to \$6,940 and for two to \$10,410.

[MS 4670](#), SSI Financial Standards, is revised to increase the income standard for one to \$698 and a couple to \$1,048.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 410  
December 1, 2011

Subject: Revisions to Volume II Regarding Legal Guardians, KAMES ID Codes, and 6-Month Review Processing

### VOLUME II

[MS 2010](#), Relatives as a Separate Household, is revised to provide the KAMES codes used to process cases for individuals who do not meet separate household status criteria and refuse to apply for the other individuals with whom he or she resides.

[MS 2020](#), Special Provision for the Elderly and Disabled, is revised to change food benefits to SNAP and to provide the KAMES codes used to process cases for the elderly disabled applicant who is unable to purchase and prepare meals separately from others in the household because of a disability.

[MS 2060](#), Nonhousehold Members, is revised to provide the KAMES codes used to process cases that contain boarders and foster care children/adults.

[MS 2200](#), Boarders - General, is revised to state that individuals coded as 'boarders' in a pending/active case cannot apply for SNAP in separate case.

[MS 2350](#), Criminals, is revised to include the Inbox address for the Claims Management Section.

[MS 2700](#), Group Living-Introduction, is revised to change references from food benefits to SNAP. It is also revised to state that in situations where a legal guardian has been appointed, the legal guardian must either make the application for the household or appoint an authorized representative for the household to make the application.

[MS 6300](#), Requirement for Interview, is revised to add that a legal guardian can also be an applicant.

[MS 6485](#), SNAP 6-Month Review Processing, is revised to add the steps to be taken when a household reports the loss or non-receipt of form FS-2.

[MS 6707](#), Simplified Reporting - Acting on Changes, is revised to remove the reference to the New Hire report as the Agency no longer uses this report and to change references from food benefits to SNAP.

Division of Family Support

Operation Manual  
Transmittal Letter No. 409  
December 1, 2011

Subject: Removal of KHIPP References, Revisions to Verification of Identity, and  
Excused Absences/Approved Holidays.

Volume I

[MS 0140](#), Acronyms, is revised to delete the references to KHIPP as the program ended 11/30/11 with the switch to Managed Care.

Volume III

[MS 2290](#), Verification of Identity Requirements, is revised to state that the data match for SNAP can only be used for head of household, and that an affidavit or notarized statement can be used for a child 16 years or older.

[MS 2339](#), Third Party Liability, is revised to delete the reference to KHIPP as the program ended 11/30/11 with the switch to Managed Care.

Volume IIIA

[MS 4660](#), Excused Absences/Approved Holidays, is revised to clarify language for determining the allowable excused absence and holiday hours.

Division of Family Support

Operation Manual  
Transmittal Letter No. 408  
December 1, 2011

Subject: Policy Manual Updates to Volume I

This OMTL is created to revise the manual sections below for clarity and comprehension.

Volume I

The [Table of Contents](#) is revised to rename [MS 0850](#) Electronic Claims Files.

[MS 0850](#), Claim Control Files, is revised to change the name of the manual section to Electronic Claims Files and to add information on scanning claims data into Electronic Case Files (ECF).

[MS 0870](#), General Procedures for all Claims, is revised to add ECF information.

[MS 0910](#), Referral of Claims to the Office of Inspector General, is revised to include instructions to e-mail EXCEL version of form PAFS-88, OIG/DCBS Referral Summary/Disposition, to CMS and add scanning form PAFS-88 into ECF.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 407  
November 7, 2011

SUBJECT: Waiver Application Processing

### VOLUME IV

The [Table of Contents](#) is revised to add [MS 2730](#), Patient Liability for Individuals Otherwise Medicaid Eligible.

[MS 1205](#), Taking the Family/AFDC-Related MA Application, is revised to add \$0 patient liability information for children in the custody of the Cabinet. It is also revised to clarify instructions on when an application is taken in a county other than the county of residence.

[MS 2720](#), Long Term Care Certification, is revised to remove information regarding the PA-62 system and to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 2730](#), Patient Liability for Individuals otherwise Medicaid Eligible, is created to explain that patient liability is \$0 for individuals who are otherwise Medicaid eligible.

### VOLUME IVA

The [Table of Contents](#) is revised to add [MS 2770](#), Patient Liability for Individuals Otherwise Medicaid Eligible. It was also revised to change the title of [MS 2930](#) from "Patient Liability" to "HCBS Patient Liability" and to change the title of [MS 4280](#) from "Pass Through Individual in Receipt of Waiver or Non-Institutional Hospice Services" to "Pass Through Individuals Receiving Waiver or Hospice Services".

[MS 2230](#), Adult MA: Child and Spousal Support, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 2770](#), Patient Liability for Individuals otherwise Medicaid Eligible, is created to explain that patient liability is \$0 for individuals who are otherwise Medicaid eligible. It is also revised to instruct caseworkers to explore Pass-Through eligibility for waiver applicants.

[MS 2815](#), Michelle P. Waiver, is revised to add the Pass Through program categories to the list of applicable programs for Michelle P. Waiver and to remove the instructions on allowing the Pass Through case to alternate program to "J", "K" or "M" when adding Michelle P. Waiver to a Pass Through case. It is also revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 2830](#), SCL Eligibility Determination Procedures, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 2840](#), SCL Individual, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 2930](#), HCBS Patient Liability, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised to change the title from "Patient Liability" to "HCBS Patient Liability".

[MS 2940](#), HCBS Individual, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 2950](#), HCBS Child Living with Parent, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 2960](#), HCBS Recipient With Non-HCBS Spouse, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 2970](#), HCBS Recipient with HCBS Spouse, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 2990](#), HCBS Case Action, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 3010](#), Acquired Brain Injury (ABI) Patient Liability Determination, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 3015](#), ABI Individual, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 3017](#), ABI Recipient with Non-ABI Spouse, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 3020](#), ABI Recipient with ABI Spouse, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 3120](#), Non-Institutional Hospice Patient Liability, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 3130](#), Non-Institutionalized Hospice Individual or Child Living with Parents, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 3140](#), Non-Institutionalized Hospice Couple, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 3150](#), Non-Institutionalized Hospice Applicant with Non-Hospice Spouse, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services. It is also revised for clarity.

[MS 3400](#), K-TAP and Family MA Recipient in LTC, is revised to add patient liability information for individuals who are otherwise eligible for Medicaid and begin receiving waiver services.

[MS 4150](#), Pass Through Overview, is revised to explain that Pass-Through eligibility is to be explored for all applicants who have previously received SSI. Patient liability information is also added for individuals who are otherwise Medicaid eligible and begin receiving waiver services.

[MS 4270](#), Pass Through Individual Moving to a Nursing Facility or Institutional Hospice, is revised to clarify steps for when the individual is discharged from the nursing facility.

[MS 4280](#), Pass Through Individuals Receiving Waiver or Hospice Services, is revised to include instructions regarding \$0 patient liability for Pass-Through recipients who begin receiving waiver. It is also revised to change the title and for clarity.

Subject: Voter Registration

## VOLUME I

[MS 0640](#), Voter Registration, is revised to clarify at application, recertification, and when an address change is reported, the applicant/head of household is provided the opportunity to complete an application to register to vote or update voter registration. This section is also revised to change text to "applicant/head of household".

[MS 0650](#), Voter Registration Procedures, is revised to clarify that the applicant/head of household is provided the opportunity to register to vote at application, recertification, and when an address change is reported. This section is also revised to explain processes relating to voter registration and procedures at application, recertification and when an address changes. Each office must turn in completed registration applications to the County Clerk's office every Friday. In addition, the reference to forms KIM-100, KAMES Application, and PR-1, Program Recertification, is changed to PA-100, Application/Recertification for K-TAP, Kinship Care, and Family/AFDC Related MA. Form PA-100 replaces forms KIM-100 and PR-1 which are now obsolete.

## VOLUME III

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to clarify the procedures that occur at application, recertification and address change for the head of household/applicant and to incorporate changes to the KAMES systems relating to the voter registration questions. The section also has been revised to state when form PAFS 706, Voter Registration Rights and Declination, is issued. Also, the reference to KHIPP is removed.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 404  
November 1, 2011

Subject: Replacement Checks, Supportive Service Claims, KVETS, Part-time VOC, Online Classes, and WIA

### VOLUME I

[MS 0100](#), Returned Checks, is revised to change the wording in item B to state the original check will be replaced not reissued.

[MS 0110](#), Report of Nonreceipt of Benefits Issued by Check, is revised to remove the word "duplicate" check and add "replacement" check. When a client reports nonreceipt of a check, a replacement check is issued with a new check number and date issued. It will no longer be stamped "duplicate". In addition, the client now has 12 months in which to request a replacement check.

[MS 0115](#), Replacement of a Check that is Cashed, is revised to change the word "duplicate" to "replacement" in item D.

[MS 0120](#), Checks Received in the Local Office, is revised to correct the address of the Family Self-Sufficiency Branch.

[MS 1200](#), Cash Assistance and Other Related Program Claims, is revised to clarify that an overpayment on supportive services occurs when the individual is K-TAP eligible but receives fraudulently. It also revised to clarify that failure to meet KWP participation is not a reason to establish a claim on transportation payments.

[MS 1210](#), How to Calculate a Cash Assistance and Other Related Program Claim, is revised to add if it is determined the individual fraudulently received supportive services, a claim is pursued. Reference to establishing a claim when the individual does not participate but receives transportation is removed. Failure to meet KWP participation is not a reason to establish a claim on transportation payments.

### VOLUME III

[MS 2285](#), Citizenship Requirements, is revised to clarify that KVETS (IMS Program E7 prior to KVETS) can be used to verify birth but workers do not have to retain a copy in the case record as long as KAMES comments document these programs were used.

[MS 2329](#), Relationship, is revised to clarify that workers may print a copy of KVETS birth certificate for the case record but it is not required.

[MS 2510](#), Excluded Income, is revised to specify the difference between Vendor Payment and In-Kind Income. It is also further revised to refer to Vol. IIIA MS 4250 for instructions on entering WIA and work study hours to capture participation.

### VOLUME IIIA

[MS 4210](#), Vocational Educational Training, is revised to remove references to software used by Kentucky Community and Technical College System (KCTCS) to monitor and track participation. This section has also been revised to allow individuals in a part time VOC activity to combine the hours with another core activity in order to meet the required number of weekly hours.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 405  
November 1, 2011

Subject: Expansion of Managed Care and the end of KenPAC

This OMTL is issued to revise policy regarding managed care and to delete any references to KenPAC. Effective 10/1/11, KenPAC will end for all counties. Effective 11/1/11 managed care will expand statewide. All counties will be served by a Managed Care Organization (MCO) with the exception of region 3. Region 3 will remain under the Passport managed care healthcare plan.

### Volume I

[MS 0021](#), General Overview of KAMES Inquiry, is revised to remove references to KenPAC as it has ended and list options on the Inquiry menu in the order they appear on KAMES.

[MS 0460](#), The Hearing Request, is revised to remove policy regarding hearing requests related to participation in managed care as the delivery method of Medicaid is not a qualifying event for a fair hearing.

### Volume IV

The [Table of Contents](#) is revised to:

- Rename [MS 1400](#), [MS 1600](#), [MS 1606](#), and [MS 3015](#);
- Add [MS 1601](#), [1603](#), [1610](#), and [3016](#);
- Delete MS 1150, MS 1410, MS 1604, MS 1608, MS 2120, MS 2130, MS 2150, MS 2170, MS 2172, MS 2174, MS 2176, MS 2178, MS 2180, MS 2182, MS 2184, 2186, 2188 and 2190.

MS 1150, Vendor Billing Service Information, is obsolete as these procedures do not have anything to do with the eligibility determination or other tasks completed by DCBS staff.

[MS 1212](#), Family MA Interview Process, is revised:

- To remove any references to KenPAC;
- To remove statements regarding the hearing and grievance process for managed care as this is not handled through DCBS. Any managed care recipient who inquires about a hearing or grievance needs to be referred to Medicaid managed care services at 1-855-446-1245.
- To remove references to KHIPP as the program no longer exists due to Managed Care.

[MS 1214](#), Applications for the Deceased, is revised to remove all references to non-managed care counties. Managed care operates in all counties.

[MS 1256](#), Determining Caseload Code and County of Residence, is revised to remove references to non-managed care counties. Managed care operates in all counties.

[MS 1400](#), Retroactive Medicaid, is revised to:

- Change the title to “Ongoing/Retroactive Medicaid”;
- Remove the statement that managed care counties are excluded from retroactive Medicaid policy. Retroactive Medicaid is available for all counties except Passport counties. Refer to [MS 1610](#).
- Incorporate material from MS 1410 which is now obsolete.

MS 1410, Ongoing Medicaid, is obsolete as it is incorporated into [MS 1400](#).

[MS 1600](#), Managed Care Enrollment, is revised to change the title to “Introduction to Managed Care” and incorporate changes relating to the expansion of managed care.

[MS 1601](#), Managed Care Providers, is created to identify the Managed Care Organizations and provides the website and phone number that can be used to locate participating providers.

[MS 1602](#), Managed Care Definitions, is revised to change the title to and update definitions relating to managed care. The definition of Passport is added to the section. Passport is a separate type of managed care and does not fall under the new MCO's. Passport is only available to counties in region 3.

[MS 1603](#), Managed Care Enrollment, is created to explain the open enrollment process, how to request a change in enrollment, and identify the types of medical cards for Medicaid recipients.

MS 1604, KYHEALTH Card and Managed Care Card, is obsolete. Relevant information is incorporated in [MS 1603](#).

[MS 1606](#), Beneficiary Groups, is revised to:

- Change the title to Exempt/Non Exempt Managed Care Recipients;
- Identify recipients required to participate in managed care; and
- Identify recipients exempt from managed care;

MS 1608, Guaranteed Coverage, is obsolete as guaranteed coverage is not applicable to new managed care recipients. Guaranteed coverage only applies to Passport recipients. Refer to [MS 1610](#).

[MS 1610](#), Passport, is created to incorporate all procedures that apply to Passport counties. There are some exceptions to managed care policy that apply only to Passport counties.

[MS 2100](#), TPL Procedures, is revised to change the title to “Third Party Liability (TPL)”. It is further revised to remove any references to KHIPP as it no longer exists and incorporate manual material from MS 2120 and 2130 which are now obsolete.

MS 2120, TPL Good Cause, is obsolete as it has been incorporated into [MS 2100](#).

MS 2130, TPL Responsibilities, is obsolete as it has been incorporated into [MS 2100](#).

MS 2150, KHIPP Overview, is obsolete as KHIPP no longer exists.

The following KenPAC manual sections are obsolete as KenPAC no longer exists:

MS 2170, KenPAC Introduction;  
 MS 2172, KenPAC Provider Services;  
 MS 2174, KenPAC PROVIDERS;  
 MS 2176, KenPAC PROVIDER ASSIGNMENT;  
 MS 2178, KenPAC Provider Changes;  
 MS 2180, KenPAC Exempt Recipients;  
 MS 2182, KenPAC Special Authorization;  
 MS 2184, KenPAC Provider Special Assignments;  
 MS 2186, KenPAC Grievance Procedure;  
 MS 2188, KenPAC Hearings; and  
 MS 2190, Transfer of KenPAC Case Records Between Counties;

[MS 2850](#), Newborn Children, is revised to remove all references to KenPAC.

[MS 2851](#), Automated Medicaid Issuance for Newborns, is revised to:

- Remove all references to KenPAC;
- Reformat the section.

[MS 2871](#), KCHIP Children, is revised to remove policy that references a difference between managed care and non managed care counties.

[MS 2890](#), Mail-In Applications for “I” and KCHIP Categories, incorporates changes relating to the expansion of managed care and remove any references to KenPAC. The section is completely reformatted and revised for clarity.

[MS 2896](#), Juvenile Justice Children, is revised to remove all references to KenPAC.

[MS 3015](#), Establishing the Retroactive Spend Down Quarter, is renamed and revised to only address establishing the RETROACTIVE quarter. The policy for establishing the CURRENT quarter has been incorporated into MS 3016.

[MS 3016](#), Establishing the Current Spend Down Quarter, is created to incorporate policy that was removed from MS 3015.

## Volume IVA

The [Table of Contents](#) is revised to:

- Rename [MS 1340](#), [MS 1346](#), [MS 1450](#), [MS 1660](#), [MS 2670](#), and [MS 4250](#);
- Add [MS 1343](#), MS 1345, MS 1349 and MS 2671;
- Delete MS 1344, MS 1348, MS 1460, MS 1670 and MS 1690.

[MS 1340](#), Introduction to Managed Care, is revised to change the title and incorporate changes relating to the expansion of managed care.

[MS 1342](#), Managed Care Definitions, is revised to update definitions relating to managed care. The definition of Passport is added to the section. Passport is a separate type of managed care and does not fall under the new MCO's. Passport is only available to counties in region 3.

[MS 1343](#), Managed Care Enrollment, is created to explain the open enrollment process, how to request a change in enrollment, and identify the types of medical cards for Medicaid recipients.

MS 1344, KYHEALTH Card and Managed Care Card, is obsolete. Relevant information is incorporated in [MS 1343](#).

[MS 1345](#), Managed Care Providers, is created to identify the Managed Care Organizations and provides the website and phone number that can be used to locate participating providers.

[MS 1346](#), Beneficiary Groups, is revised to:

- Change the title to Exempt/Non Exempt Managed Care Recipients;
- Identify recipients required to participate in managed care; and
- Identify recipients exempt from managed care;

MS 1348, Guaranteed Coverage, is obsolete as guaranteed coverage is not applicable to new managed care recipients. Guaranteed coverage only applies to Passport recipients. Refer to [MS 1349](#).

[MS 1349](#), Passport, is created to incorporate all procedures that apply to Passport counties. There are some exceptions to managed care policy that apply only to Passport counties.

[MS 1372](#), Adult MA Interview Process, is revised:

- To remove any references to KenPAC;
- To remove statements regarding the hearing and grievance process for managed care as this is not handled through DCBS. Any managed care recipient who inquires about a hearing or grievance needs to be referred to Medicaid managed care services at 1-855-446-1245.
- To remove references to KHIPP as the program no longer exists due to Managed Care.

[MS 1374](#), Applications for the Deceased, is revised to remove all references to non-managed care counties. Managed care operates in all counties.

[MS 1450](#), Effective Dates for Retroactive Medicaid, is revised to:

- Change the title to "Ongoing/Retroactive Medicaid";
- Remove the statement that managed care counties are excluded from retroactive Medicaid policy. Retroactive Medicaid is available for all counties except Passport counties. Refer to [MS 1349](#).
- Incorporate material from MS 1460 which is now obsolete.

MS 1460, Effective Date for Ongoing Medicaid, is obsolete as it is incorporated into [MS 1450](#).

[MS 1476](#), Determining Caseload and County of Residence, is revised to remove references to non-managed care counties. Managed care operates in all counties.

[MS 1660](#), Introduction, is revised to:

- Change the title to “Third Party Liability (TPL)”;
- Remove any references to KHIPP as it no longer exists;
- Expand on TPL procedures; and
- Incorporate manual material from MS 1670 as it is now obsolete.

MS 1670, Third Party Assignment, is obsolete and has been incorporated into [MS 1660](#).

MS 1690, KHIPP Overview, is obsolete as KHIPP no longer exists.

[MS 2670](#), Establishing the Retro Spend Down Quarter, is renamed and completely re-vamped. This manual section now only addresses establishing the RETRO quarter and policy regarding establishing the CURRENT quarter has been incorporated into [MS 2671](#).

[MS 2671](#), Establishing the Current Spend Down Quarter, is created to incorporate policy that was removed from MS 2670.

[MS 3030](#), ABI Long Term Care (LTC) Waiver, is revised to remove any references to ABI LTC recipients being exempt from KenPAC as KenPAC no longer exist as of 10/1/11. It is further revised to explain that individuals already receiving Medicaid who start receiving ABI LTC will have a \$0 patient liability regardless of income.

[MS 4150](#), Pass Through Overview, is revised to remove the statement that retroactive eligibility is not available to managed care counties. This applies only to region 3 of Passport counties.

[MS 4250](#), Application Process, is revised to:

- Change the name to the manual section to “Pass through Application Process”;
- Remove the statement that retroactive eligibility is not available to managed care counties; and
- For reformatting and clarity.

[MS 4720](#), MA Eligibility for SSI Recipients, is revised to remove references to non managed care counties. It is further revised for clarity.

[MS 4217](#), Coding Vocational Educational Training, is revised to remove reference that in order to count an internship, practicum, etc as WEP, the provider must be a non-profit entity.

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to clarify that when there is a reduction of benefits due to repayment of a claim, the full benefit amount for which the household is entitled is used when completing the FLSA calculator.

[MS 4250](#), Employment, is revised to include WIA as income not counted when computing the K-TAP benefit.

[MS 4650](#), Monitoring and Tracking Participation, is revised to change M07 to M03 for individuals in secondary school attendance. It is also revised to add a space between G and H to separate the 2 paragraphs and change STEP Caseload Listing to STEP Caseload List.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to clarify an absence that is excused by the provider is considered excused for participation purposes. It is also revised to add code 5 & 6 to the chart for coding holiday hours on STEP and some minor wording changes.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 403  
November 1, 2011

Subject: Electronic Case Files (ECF) and Certification Periods

Roll out for the implementation of Electronic Case Files (ECF) has begun and is expected to be completed tentatively in June 2012. As a result, Vol. IIA, [MS 1550](#), and Vol. II, [MS 7450](#), are revised.

### VOLUME II

MS 6610, Shortening Certification Periods, is now obsolete as all Supplemental Nutrition Assistance Program (SNAP) cases are now certified for 12 months except for expedited applications with postponed verification.

[MS 6705](#), Simplified Reporting Households, is revised to remove reference to 6 month certification periods and to change a reference from food benefits to SNAP benefits.

[MS 7000](#), Required Verification At Application, and [MS 7030](#), Required Verification At Recertification, are revised to clarify procedures on verifying the legal obligation of child support payments.

[MS 7450](#), Case Record Content, is revised to change the reference from case record to electronic case record. It is also revised to remove the procedures on pulling information forward to the current packet as this no longer applies.

### VOLUME IIA

[MS 1550](#), Work Registration Procedures, is revised to change the reference from case record to electronic case record.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 402

October 10, 2011

Subject: Money Follows the Person (MFP) Changes

Individuals receiving Supplemental Security Income (SSI) who are also receiving Money Follows the Person (MFP) remain eligible for MFP when the SSI goes exparte and must be placed on KAMES as a J, K or M category case.

### Volume IVA

[MS 3715](#), Money Follows the Person (MFP), is revised to add a link to MS 4770 for directions on how to process cases for SSI MFP that exparte. It is further revised to remove verbiage pertaining to spot check as this no longer applies and to clarify that no Pro Certification is received for MFP.

[MS 4535](#), Exparte/Extended Managed Care with Medicare Savings Plan, is revised to add a link to MS 4770 for directions on how to process cases for SSI MFP that exparte and to add exparte codes N10 (refused treatment for drug addiction) and N11 (refused treatment for alcoholism). It is further revised for clarity.

[MS 4770](#), Exparte/Extended Managed Care, is revised to add procedures on processing a SSI MFP case that has exparte and to add exparte codes N10 (refused treatment for drug addiction) and N11 (refused treatment for alcoholism). It is further revised for clarity.



Division of Family Support

Operation Manual  
Transmittal Letter No. 401  
October 1, 2011

Subject: Volume VII – System Tracking for Employability Programs (STEP)

Volume VII, System Tracking for Employability Programs (STEP) in its entirety is now obsolete. The information is relocated to the online User Guides.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 400  
October 1, 2011

Subject: Various Manual Section Changes - QC Disqualification, Utility Standard Changes, and Annual Income Standard Changes

### Volume I

[MS 0900](#), Determining Eligibility through Extensive Review, is revised to correct language explaining how the DETER question on KAMES is answered, add the county names DETER operates in, correct minor language usage, capitalize the word DETER and remove the obsolete web link.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to add information to Example 1.

[MS 1050](#), How to Process an Intentional Program Violation Claim, is revised to add no further administrative appeal procedure exists after an individual waives his/her right to an Administrative Disqualification Hearing and a disqualification penalty is imposed.

[MS 1060](#), Criteria for Pursuing an Intentional Program Violation Claim, is revised to remove Form FS-8, Food Benefits Reporting Requirements Handout, as it is obsolete and to change the term food stamps to SNAP.

[MS 0390](#), Refusal to Cooperate with QC, is revised to state the disqualification will follow the person who failed to cooperate. It is also revised to change the number of days from 95 to 125 days that an individual has to comply with State QC if they reapply and to change the number of months from 7 to 9 months that an individual has to comply with Federal QC if they reapply. It is further revised to incorporate information in Volume VI, MS 5650, Refusal to Cooperate with Quality Control, which is now obsolete. In addition, it is also revised for clarity, formatting and to change the reference from PA-105 to MA-105.

### Volume II

[MS 2900](#), Alien Status, is revised to clarify which individuals meet the definition of "certain Hmong or Highland Laotians".

[MS 3280](#), SAFE Recertification Processing, is revised to clarify which discontinuance reason is used on the notice generated when a SAFE recertification is not entered on the system by the end of the household's certification period.

[MS 5000](#), Resource Maximums, is revised for households to reflect the updated resource amount which include a disabled member or member age 60 or over.

[MS 5200](#), Income Eligibility Scale, is revised due to annual Basis of Issuance (BOI) changes to reflect the maximum income limits (130% and 165%) and net income limits.

[MS 5400](#), Deductions, General, is revised due to annual BOI changes to reflect the increase in the standard deduction for all households.

[MS 5470](#), Allowable Shelter Deductions, is revised to update the example on calculating a shelter deduction for an open ended mortgage.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised to reflect the updated SUA amount effective October 1, 2011.

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to reflect the updated BUA amount effective October 1, 2011. It is also further revised to separate "sewage" from "water or sewage."

[MS 5800](#), Calculations of Allotment, is revised due to BOI changes to reflect the change in the Maximum Shelter Deduction.

#### Volume VI

MS 5650, Refusal to Cooperate with Quality Control, is obsolete, as it is incorporated into Volume I, [MS 0390](#).

## Division of Family Support

Operation Manual  
Transmittal Letter No. 399  
September 1, 2011

Subject: Incorporating FSM and New Policy

### Volume IV

The [Table of Contents](#) is revised to remove MS 2210, MS 2760, and MS 2770 as these manual sections are obsolete as incorporated into other manual sections. The table of contents is also revised to rename MS 2750, 4200 and 4210. It is further revised to add new manual sections [MS 3010](#), [MS 3015](#), [MS 3020](#), and [MS 3025](#). See blurbs below for more information.

[MS 2036](#), MA Case Processing for Citizenship Verification, is updated to incorporate automation of the spot check. It is further revised for clarity.

MS 2210, MSE for SSI Child, is obsolete as MSE referrals are completed by the Child Support Enforcement (CSE).

[MS 2750](#), Pregnant Woman Introduction, is renamed Pregnant Woman. It is revised to incorporate MS 2760 and MS 2770. It is further revised for clarity.

MS 2760, Pregnant Woman Procedures, is obsolete as it has been incorporated into [MS 2750](#).

MS 2770, Categories for the Pregnant Woman, is obsolete as it has been incorporated into [MS 2750](#).

[MS 2800](#), Postpartum Eligibility, is revised to include that when newborn is added to newborn database that KAMES automatically changes the pregnant woman to postpartum.

[MS 2850](#), Newborn Children, is revised to include that newborns that move out of state and then back to Kentucky are no longer considered as deemed eligible and must meet all technical and financial eligibility requirements. It is further revised for clarity.

[MS 3010](#), Spend Down Process, is created to incorporate policy on spend down eligibility.

[MS 3015](#), Establishing the Quarter and Income Liability, is created to incorporate policy on spend down eligibility.

[MS 3020](#), Considering Medical Expenses in Spend Down, is created to incorporate policy on spend down eligibility.

[MS 3025](#), Allowable Spend Down Medical Expenses, is created to incorporate policy on spend down eligibility.

[MS 4200](#), Introduction to QMB, is renamed "Medicare Savings Program Overview" and is revised for clarity.

[MS 4210](#), QMB Technical Eligibility, is renamed “Technical Eligibility for Medicare Savings Program” and is revised for clarity.

## Volume IVA

The [Table of Contents](#) is revised to delete the following manual sections as these are obsolete. An individual blurb is not written for these sections. These manual sections cover outdated policy regarding Medicaid services available to recipients and do not relate to Medicaid eligibility determination. All questions regarding Medicaid services are to be forwarded to Medicaid Member Services at 1-800-635-2570 and are not to be addressed by DCBS staff:

MS 1070, Alternate Birth Centers;  
 MS 1080, Ambulance Transportation;  
 MS 1090, Ambulatory Surgical Centers;  
 MS 1100, Audiology Services;  
 MS 1105, Chiropractic Services;  
 MS 1110, Dental Services;  
 MS 1120, Dialysis;  
 MS 1130, Family Planning Services;  
 MS 1140, Hospital Benefits;  
 MS 1150, Laboratory and X-Ray;  
 MS 1160, Long Term Care;  
 MS 1170, Mental Health;  
 MS 1180, Nurse-Midwife Services;  
 MS 1190, Optional Services;  
 MS 1200, Pharmacy Benefits;  
 MS 1210, Physician Services;  
 MS 1220, Primary Care Center/Rural Health Clinic; and  
 MS 1230, Vision Care.

The [Table of Contents](#) is revised to remove MS 2655, MS 2660, MS 2680, MS 2690, MS 2700, MS 2710 and MS 2740; these manual sections are obsolete as they are incorporated into other manual sections. See blurbs below for more information.

[MS 1575](#), Adult MA Case Processing for Citizenship Verification, is updated to incorporate automation of the spot check and clarity.

[MS 2030](#), Vehicles, is revised to:

- Explain that in order to exclude a vehicle as a resource the vehicle must be:
  1. Used to obtain medical treatment;
  2. Specially equipped for the disabled;
  3. Used by the community spouse;
  4. Used for employment or self-employment; or
  5. Used as an owner occupied home.
- Explain that an institutionalized individual wishing to spend down their resources on the purchase of a vehicle must verify that the vehicle being

- purchased is specially equipped to meet their transportation needs, otherwise the vehicle cannot be excluded as a resource;
- Clarify that the total equity value of recreational values is a countable resource;
- Clarify that anytime a vehicle is excluded as a resource to obtain medical treatment the individual is not eligible for non-emergency transportation services; and
- Explain what can be used to verify the value of a vehicle.

[MS 2650](#), Introduction to Spend Down, is renamed "Spend Down Process". It is revised for clarity and to incorporate MS 2740, Spend Down Case Decision.

MS 2660, Companion Case Spend Down, is obsolete as it is incorporated into [MS 2650](#) and [MS 2670](#).

MS 2655, Determining the Family Size, is obsolete as it is incorporated into [MS 2670](#).

[MS 2670](#), Establishing the Quarter, is renamed "Establishing the Quarter and Income Liability". It is revised for clarity and to incorporate MS 2690.

MS 2680, Quarters for Companion Case Spend Down, is obsolete.

MS 2690, Spend Down Excess, is obsolete as it is incorporated into [MS 2670](#), Establishing the Quarter and Income Liability.

MS 2700, Spend Down Medical Expense Verification, is obsolete as it is incorporated into [MS 2720](#), Considering Medical Expenses in spend Down.

MS 2710, Spend Down Medical Expenses Restrictions, is obsolete as it is incorporated into [MS 2720](#), Considering Medical Expenses in Spend Down.

[MS 2720](#), Considering Medical Expenses in Spend Down, is revised to incorporate [MS 2700](#) and [MS 2710](#).

[MS 2730](#), Allowable Spend Down Medical Expenses, is revised for clarity.

MS 2740, Spend Down Case Decision, is obsolete as it is incorporated into [MS 2650](#), Spend Down Process.

[MS 2815](#), Michelle P. Waiver, is revised to remove references to the PA-62 system as it is no longer used to issue eligibility.

[MS 3910](#), Medicaid Works Application, is revised for clarity.

[MS 4395](#), Application for Medicare Savings Program through Low Income Subsidy (LIS), is revised to clarify what unearned income is verified by SSA and how to consider the income when processing the application.

[MS 4535](#), Exparte/Extended Managed Care with Medicare Savings Plan, is revised for clarity.

[MS 4930](#), Application Process for State Supplementation, is revised to clarify verification needed for an authorized representative to make application.

[MS 5110](#), Introduction to Income, is revised to correct referred manual sections on calculating income.

#### Volume VI

The [Table of Contents](#) is revised to remove MS 2105, MS 2110, MS 3660, MS 3700, MS 4015, and MS 4270 as these manual sections are obsolete.

MS 2105, Postpartum Procedures, is obsolete as this information is incorporated into Vol. IV, [MS 2800](#).

MS 2110, Denial or Discontinuance with Deemed Eligible Member, is obsolete as this information is incorporated into Vol. IV, [MS 2850](#).

MS 3660, Application for the Current and Previous Quarter, is obsolete as this information is incorporated into Vol. IV, [MS 3015](#) and Vol. IVA, [MS 2670](#).

MS 3700, Separate Application, is obsolete as this information is incorporated into Vol. IV, [MS 3010](#) and Vol. IVA, [MS 2650](#).

MS 4015, MA Child Case Name, is obsolete as this is incorporated into Vol. IV, [MS 2896](#), Juvenile Justice Children, Vol. IV, [MS 3010](#), and Vol. IVA, [MS 2650](#), Spend Down Process.

MS 4270, Special Child Support Procedures, is obsolete as this is incorporated into Vol. IV, [MS 2896](#) and Vol. IVA, [MS 3010](#).

#### Volume X

MS 99627, Spend Down Changes, is obsolete as it is incorporated into Volumes IV and IVA.

Subject: Changes to Volumes I, III, and VI

#### Volume I

[MS 0020](#), General Case Processing, is revised to eliminate that an application must match an agency contact because the case will no longer pend for supervisory approval if the application does not match an agency contact. A new item has been added to clarify that changes should not be made in a case without supervisory approval if not the assigned worker.

[MS 0021](#), General Overview of KAMES Inquiry, is revised to clarify that agency contacts are retained for 89 days regardless of program type.

[MS 0210](#), Civil Rights Overview, is revised to add that a reminder call is needed when the "VI"-Visually Impaired/Blind special interview code appears for a case due for recertification.

#### VOLUME III

The [Table of Contents](#) is revised to delete MS 2408, Resource Limits and MS 3780, RAP Benefits, as these sections are obsolete. Also the title of [MS 2397](#) is changed to Quality Control Cases Involving MRT.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to clarify "VI"-Visually Impaired/Blind should be entered as a special interview code so this information will appear when the case is due for a recertification.

[MS 2208](#), FAD Payments, is revised to remove the information concerning agency contacts procedures as it no longer applicable.

[MS 2324](#), KWP Exemption Criteria, is revised to clarify that the "U" exemption is not available to teen parents under age 18 and have not obtained high school diploma or equivalency.

[MS 2326](#), Minor Teen Parents, is revised to clarify that a minor parent, who is under age 18 and has not obtained a high school diploma or equivalency, cannot use the "U" exemption.

[MS 2329](#), Verification of Relationship, is revised to add KVETS as a verification source and state that a copy of the KVETS (formerly E7) screen is not retained in the case record. KAMES comments are annotated that KVETS/E7 was used to verify relationship.

[MS 2397](#), Quality Control Cases Involving MRT, is renamed and revised to add a reference to form KW-6, Kentucky Works Determination.

[MS 2400](#), Resources – General Information, is revised to include information formerly found in MS 2408.



MS 2408, Resource Limits, is now obsolete and the information moved to [MS 2400](#).

[MS 2610](#), Child Support and/or Spousal Support, is revised to remove the instruction to establish a "B" or "D" case for an SSI child.

[MS 3750](#), RAP Introduction, is revised to add information formerly found in MS 3780.

MS 3780, RAP Benefits, is now obsolete and the information is moved to [MS 3750](#).

#### Volume VI

The [Table of Contents](#) is revised to delete MS 1200, MS 1210 and MS 3500 as the sections are obsolete.

MS 1200, Scheduling Appointments-Introduction, is obsolete.

MS 1210, Agency Contact, is obsolete.

MS 3500, \$30 and 1/3 Deduction, is obsolete.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 397  
September 1, 2011

Subject: Miscellaneous Revisions to Volumes II and IIA

### Volume II

[MS 2000](#), Definitions, is revised to change references from food benefits to SNAP. It is also revised due to a recent clarification from Food and Nutrition Services (FNS) to clarify individuals in same sex marriages are not recognized as spouses. It is further revised to change a reference from the Food Stamp Act to the Food and Nutrition Act.

[MS 2660](#), Center Responsibilities, is revised based on a recent FNS clarification to state if an individual leaves a treatment center and does not leave a forwarding address, the SNAP case is to be discontinued.

[MS 5320](#), Business Expenses, is revised to clarify that if an individual files an income tax return, the mileage deduction on the tax return is used as a deduction in the SNAP case. If the individual does not file a tax return, use the business IRS mileage rate for the time period the expense is claimed.

[MS 5430](#), Allowable Medical Deductions, is revised based on recent clarification from The Department of Justice to state that only dogs and miniature horses can be recognized as service animals.

[MS 5510](#), Child Support Deduction, is revised to clarify that you can only allow more than the legally obligated amount when the excess is for arrearages.

[MS 5610](#), Month of Application or Recertification, is revised to change the references from household to individual.

[MS 5650](#), Budgeting Income, is revised to change references from food benefits to SNAP and to clarify policy on budgeting anticipated child support.

[MS 6020](#), Caseworker Responsibilities, is revised to add that caseworkers must explain the Quality Control (QC) process.

[MS 6320](#), Scope of the Interview, is revised to remove the reference to form PAFS-130, Money Talks, as this form is obsolete. It is also revised to state that workers only **advise** clients who appear to have a disabling health condition to go to the Social Security Administration (SSA) to apply for benefits. Workers are not required to **refer** clients to the SSA.

[MS 6400](#), Overview of Application Time Standards, is revised, to add examples of expedited timeframes.

[MS 6420](#), Issuance Time Standards, is revised to add a reference to MS 6400.

[MS 6480](#), SNAP 6-Month Review Overview, is revised to state the timeframe in which form FS-2, 6 Month Review, can be acknowledged on KAMES.

[MS 6770](#), Providing Supplementals, and [MS 6790](#), SNAP Restorations, are revised to remove the reference to report HRKRPR6C, (RPT REPLACEMENT , SUPPLEMENT , RESTORATION REPORT), as it is obsolete and all the information is combined on one report.

[MS 7000](#), Required Verification at Application, and [MS 7030](#), Required Verification at Recert, are revised to state if using KASES to verify child support payments, use Option 2, Inquiry Function, then Option 17, Payment History. [MS 7000](#) is also revised to clarify that any medical deduction that the household wishes to claim as an expense must be verified; regardless if they total less than \$35 per month.

[MS 7475](#), SNAP Case Documentation, is revised to incorporate information from Volume I, [MS 0130](#), Documentation. It is also revised to include the exact statement that must be used in comments with regards to verification of RSDI/SSI income and to add that a statement explaining the type of excluded income is also included in comments. It is further revised to remove the reference of the need to explain if a phone interview is requested as this is covered by KAMES system entries.

#### Volume IIA

[MS 2105](#), ABAWD Exemptions, is revised to remove the requirement to enter the date of birth for the youngest child under every adult household member.

August 1, 2011

Subject: Various Revisions to Volumes I, IV and IVA.

Volume I

[MS 0140](#), Acronyms, is revised to add the acronyms ECF, ESI, FTI, KEUPS, MCO, PAPS, PRO-Cert and R & R. It is further revised to change food benefits to SNAP.

Volume IV

[MS 2891](#), Mail-In Recertification for "I" and KCHIP Categories, is revised to change time frames and dates for mail-in recertifications. To allow more time for clients to return these forms, the due date is changed to the last calendar day of the month. The due date for the worker to process these recertifications is changed from the 1<sup>st</sup> day to the 5<sup>th</sup> workday of the recertification month. If the recertification is not entered by the 5<sup>th</sup> workday, a KIP-2SRA, Renewal form for Medical Coverage – Final Notice, is generated the night of the 5<sup>th</sup> workday and the individual has 10 calendar days to return the KIP-2SRA.

Volume IVA

[MS 4500](#), Medicare Savings Program Case Action, is revised to change time frames and dates for mail-in recertifications. To allow more time for clients to return these forms, the due date is changed to the last calendar day of the month. The due date for the worker to process these recertifications is changed from the 1<sup>st</sup> day to the 5<sup>th</sup> workday of the recertification month. If the recertification is not entered by the 5<sup>th</sup> workday day, a KIP-2QA, Renewal form for Medicare Savings Program – Final Notice, will be generated the night of the 5<sup>th</sup> workday and the individual has 10 calendar days to return the KIP-2QA.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 395  
August 1, 2011

Subject: Various Revisions to Volumes III and IIIA

### Volume III

The [Table of Contents](#) is revised to add MS 2015 and renumber MS 2025.

[MS 2010](#), KWP Full Family Sanction, is revised to update links to other manual section referenced in the section.

[MS 2015](#), Full Family Sanction at Reapplication, is created to incorporate information from Volume IIIA, MS 4780 and full family sanction system changes.

[MS 2025](#), Safety Net, is revised to renumber the manual section.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to state form FA-1, Family Alternatives Diversion (FAD) Determination, is completed for all K-TAP applications.

[MS 2285](#), Citizenship Requirements, is revised to reflect changes in KAMES to automate the process of citizenship verification and eliminate the need to enter a spot check. KAMES will generate an RFI on the 60<sup>th</sup> day to remind individuals verification is needed. KAMES will also automatically discontinue a case on the 90<sup>th</sup> day and change the verification code for citizenship from CS to NV.

[MS 2290](#), Verification of Identity Requirements, is revised to state that information in item B pertains to individuals age 16 or older and information in item C is for individuals under age 16. Information concerning the use of form KIP-106, Attestation of Identity, is added.

[MS 5040](#), Children not Eligible for Kinship Care, is revised to state that a child of a minor parent for whom Kinship Care is being received, cannot receive Kinship Care or K-TAP. The child can receive MA if all eligibility factors are met.

[MS 5090](#), Kinship Care Benefit Payments, is revised to reflect a change in determining the child's share of K-TAP when Kinship Care is approved for months K-TAP was received.

### Volume IIIA

[MS 4720](#), Sanction Exceptions and Good Cause, is revised to correct formatting and to remove references to updating the TAA.

[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases, is revised to clarify the 15 days of participation begins when the individual starts participating in a KWP activity. Also, item D was rewritten for clarity.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to remove information regarding full family sanction reapplications, which is now located in Volume III, MS 2015, Full Family Sanction at Reapplication.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 394  
July 1, 2011

Subject: PA-62 System and MAP-24

### VOLUME IV

The [Table of Contents](#) is revised to remove MS-1450 and MS 4307 as these manual sections are obsolete.

[MS 1290](#), Adding a Household Member, is revised to remove the reference to form PA-14, Declaration of Citizenship or Alien, as this form is obsolete.

MS 1450, PA-62 Activity, is obsolete as the PA-62 system is no longer used to process eligibility.

[MS 1490](#), Reasons for Negative Action, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 1520](#), Processing Special Circumstances, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility. It is further revised to step out procedures for issuing a special circumstance.

[MS 1608](#), Guaranteed Coverage, is revised to correct entry on the PA-62 system as this system is no longer used to process eligibility. It is further revised to advise that if eligibility exists for extended managed care, contact the Medical Support and Benefits Branch on issuing coverage.

[MS 2200](#), Medical Support Enforcement (MSE), is revised to advise that all MSE referrals for SSI children are now completed by Child Support Enforcement (CSE).

[MS 2280](#), CSE Responsibilities, is revised to advise that all MSE referrals for SSI children are now completed by Child Support Enforcement (CSE).

[MS 2670](#), "U" Children, is revised to correct usage of the MAP-24 and revised for clarity.

[MS 2720](#), Long Term Care Certification, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 4170](#), EPSDT Long Term Care, is revised to correct usage of the MAP-24 and revised for clarity.

MS 4307, Guaranteed Months of Eligibility Under Managed Care, is obsolete as it has been incorporated into [MS 1608](#).

### VOLUME IVA

The [Table of Contents](#) is revised to change the names of the following manual sections:

- MS 2990 to HCBS Case Action;
- MS 3010 to Acquired Brain Injury (ABI Patient Liability Determination);
- MS 4535 to Exparte/Extended Managed Care with Medicare Savings Plan;
- MS 4770 to Exparte/Extended Managed Care; and
- MS 4820 to Cases Eligible after SSI Discontinuance.

The [Table of Contents](#) is further revised to remove the following manual sections as these are obsolete:

- MS 3360, F, G, or H Individual in LTC;
- MS 3370, LTC Admission without Medicaid;
- MS 3600, PA-62 Notification;
- MS 4780, SSI Discontinuance Listings;
- MS 4790, SSI discontinuance Notices;
- MS 4800, Assignment of SSI Discontinuance; and
- MS 4810, Processing Time Frames.

[MS 1380](#), Adult Medicaid Documentation, is revised to remove reference to form MAP-24, Memorandum, as it is not used for approvals of long term care (LTC) benefits.

[MS 1430](#), Authorizing Benefits, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 1435](#), Special Circumstance Processing, is re-titled Processing Special Circumstances. It is also revised for clarity.

[MS 1530](#), Reasons for Negative Action, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 1750](#), Introduction to Financial Eligibility, is revised with the increased community spouse income allowance minimum to \$1839 and community spouse minimum shelter allowance to \$552.

[MS 2135](#), Community Spouse Resource Allowance Calculation, is revised to remove reference to Prior Authorization (PA) letter and to add Pro Certification notice.

[MS 2990](#), HCBS Case Action, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 3010](#), Acquired Brain Injury (ABI) Patient Liability Determination, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility and correct the form number to MAP-24C, Memorandum.

[MS 3350](#), SSI Recipient in LTC, is re-titled SSI Recipient Institutionalized. It is revised to correct links to referenced manual sections. It is further revised for clarity.

MS 3360, F, G, or H Individual in LTC, is obsolete as this information was incorporated in [MS 3410](#), SSI/SSP Recipient Entering LTV, [MS 4270](#), Pass Through Moving to a Nursing Facility, and [MS 4280](#), Pass Through in Receipt of Waiver or Hospice Services, and [MS 5070](#), Temporary Stay in a Medical Institution for Non-SSI Recipients.

MS 3370, LTC Admission without Medicaid, is obsolete as it has been added to [MS 5070](#).



[MS 3410](#), SSI/SSP Recipient Entering LTC, is re-titled SSI/SSP Recipient Institutionalized. It is also revised to remove all references to the PA-62 system as this system is no longer used to process eligibility and to remove form MAP-24 for admission verification for approval of services.

[MS 3550](#), LTC Individual with Community Spouse, is revised with the increased community spouse income allowance minimum to \$1839 and community spouse minimum shelter allowance to \$552.

MS 3600, PA-62 Notification, is obsolete as the PA-62 system is no longer used to process eligibility.

[MS 3650](#), Peer Review Organizations, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 4500](#), Medicare Savings Program Case Actions, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility. It is also revised to change time frames and dates for mail-in recertifications. The statement that MSBB is to be contacted if spend down is issued by special circumstance has been removed as the Medicaid system is now picking these up without notification from family support.

[MS 4535](#), Exparte/Extended Managed Care with Medicare Savings Plan, is revised with the new procedures for these types of cases being loaded to a database on KAMES instead of the PA-62 system.

[MS 4680](#), SSI Financial Eligibility, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility. It is further revised for clarity.

[MS 4750](#), Medicaid Eligibility Redetermination, is revised for clarity.

[MS 4752](#), Grandfathered Disabled Children, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility and for clarity.

[MS 4753](#), Grandfather Disabled Child (GDC) Recertification, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility. It is further revised for clarity.

[MS 4770](#), Exparte/Extended Managed Care, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility. It is further revised to add new procedures for exparte/extended managed care.

MS 4780, SSI Discontinuance Listings, is obsolete as the PA-62 system is no longer used to process eligibility.

MS 4790, SSI Discontinuance Notices, is obsolete as this has been incorporated in [MS 4770](#), SSI Discontinuance and System Activity.

MS 4800, Assignment of SSI Discontinuance, is obsolete as this has been incorporated in [MS 4770](#), SSI Discontinuance and System Activity.

MS 4810, Processing Time Frames, is obsolete as this has been incorporated in MS 4770, SSI Discontinuance and System Activity.

[MS 4820](#), Cases Eligible after SSI Discontinuance, is revised to remove all references to the PA-62 system as this system is no longer used to process eligibility.

[MS 5070](#), Temporary Stay in a Medical Institution for Non-SSI Recipients, is revised to remove form MAP-24 for admission verification for approval of services and for clarity.

Division of Family Support

Operation Manual  
Transmittal Letter No. 393  
July 1, 2011

Subject: Simplified Assistance for the Elderly (SAFE)

Volume II

[MS 3220](#), SAFE Allotments, is revised to reflect adjustments made to the monthly benefit allotments provided to SAFE households.

Effective 7/1/11, the changes by household type are:

- 1 - Member households with monthly shelter expenses of \$0 - \$199 will get \$68 per month;
- 1 - Member households with monthly shelter expenses of \$200 or more will get \$96 per month;
- 2 - Member households with monthly shelter expenses of \$0 - \$107 will get \$111 per month; and
- 2 - Member households with monthly shelter expenses of \$108 or more will get \$147 per month.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 392  
July 2, 2011

Subject: Revisions to Volumes I, III and IIIA

### Volume I

[MS 0120](#), Checks Received by the Local Office, is revised to change the address where the checks are returned. Checks are returned to the Division of Family Support.

[MS 0170](#), Subpoenaed Information, is revised to clarify information concerning what to do when a subpoena is received.

[MS 0560](#), Documentation of Alien Status, is revised to add the documentation for Native Americans born in Canada.

### VOLUME III

The [Table of Contents](#) is revised to remove the following sections:

MS 2600, Introduction to Unearned Income;  
MS 2735, Commissioned Employment; and  
MS 2740, Occasional/Seasonal Employment.

[MS 2040](#), Disclosure of Information for TANF Programs, is revised to clarify the information about the disclosure of information.

[MS 2300](#), Criteria for Qualified Aliens, is revised to add Native Americans born in Canada to the list of qualified aliens.

[MS 2318](#), School Attendance Verification, is revised to clarify that teen parents coded M03 are automatically tracked by KAMES.

[MS 2348](#), Hospitalization, is revised to state long term care is a period of time of one year or more.

[MS 2381](#), Incapacity Field Determination, is revised to state that if the time frame an individual will be in a long term care facility exceeds one year, deprivation is hospitalization.

[MS 2513](#), Complementary Program Income, is revised to remove the reference to WIA stipend income. All WIA funded income is excluded.

[MS 2520](#), Two-Month Earned Income Exclusion, is revised to change the reference from FS case to SNAP case.

MS 2600, Introduction to Unearned Income, is obsolete as it duplicates information found in other sections.

[MS 2640](#), Promissory Note/Mortgage/Land Contract Sale, is revised to remove the policy on how to consider as a resource. This is not considered as a resource.

MS 2735, Commissioned Employment, is obsolete as it duplicates information found in other sections.

MS 2740, Occasional/Seasonal Employment, is obsolete as it duplicates information found in other sections.

[MS 2776](#), Rental/Roomer/Boarder Income, is revised to change the reference from food stamp to SNAP.

#### VOLUME IIIA

[MS 4200](#), Educational Component for Teen Parents, is revised to clarify that teen parents through age 19 are automatically tracked by KAMES if the school attendance information is entered on KAMES.

[MS 4350](#), Non-Core and Allowed Activities, is revised to change the reference JST to VOC.

Division of Family Support

Operation Manual  
Transmittal Letter No. 391  
July 1, 2011

Subject: QC Discontinuance Code 'UNABLE TO LOCATE FOR QC REVIEW'

VOLUME I

[MS 0390](#), Refusal to Cooperate with QC, is revised to change discontinuing a SNAP case for 'Unable to locate' to 'Unable to locate for QC review' when the local office is unable to reach the household on QC's behalf. It is further revised to instruct the household to contact QC when prompt 'NOTIFY QC-LAST ACTION WAS 685-UNABLE TO LOCATE FOR QC REVIEW' appears when the household reapplies. It is also revised to inform staff that no sanction is applied for households that fail to comply with QC for KINSHIP care benefits.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 390  
June 1, 2011

Subject: Various Claims Revisions to Volume I

### VOLUME I

The following manual sections are revised to incorporate corrections, changes and updates to policy:

[MS 0510](#), Recommended Order, is revised to clarify timeframes for sending exceptions.

[MS 0810](#), How to Identify a Claim, is revised to change references from food benefits to Supplemental Nutrition Assistance Program benefits (SNAP).

[MS 0880](#), General Procedures for a Suspected Fraud Claim, is revised to add timeframes for status change for SIPV claims. It is also revised to change the references from food benefits to Supplemental Nutrition Assistance Program (SNAP).

[MS 0910](#), Referral of Claims to the Office of Inspector General, is revised to add procedures if OIG splits a claim. It is also revised to change references from food benefits to Supplemental Nutrition Assistance Program (SNAP).

[MS 0920](#), Fraud "Hotline" Referrals, is revised to add policy regarding RFI's and Form PAFS-2, Application Letter or Notice of Expiration.

[MS 0950](#), Claim Repayment Methods, is revised to add policy regarding the use of form EBT-61, EBT Benefits Account Adjustment Request.

[MS 1000](#), Categories of Supplemental Nutrition Assistance Program (SNAP) Claims, is revised to add procedures when the head of household is deceased at the time of the IPV claim.

[MS1005](#), No Claim Determination, is revised to add procedures when it is unclear whether an interview was completed. It is also revised to change references from food benefits to Supplemental Nutrition Assistance Program (SNAP).

[MS 1100](#), Local Office Procedures for Acting on Administrative Disqualification Hearing Final Order, has been revised to add procedures if a Final Order is returned as dismissed "Removed from the Docket." It is also revised to change references from food benefits to Supplemental Nutrition Assistance Program (SNAP).

## Division of Family Support

Operation Manual  
Transmittal Letter No. 389  
June 1, 2011

Subject: Various Revisions to Volumes I, III, and IIIA

- \* Please note that URL links within manual sections will have to be copied and pasted into the URL address box on the CHFS Intranet browser.

### Volume I

The following manual sections are revised to change food benefits to SNAP:

- [MS 0040](#), Purging Obsolete Material;
- [MS 0080](#), Caseload Weights;
- [MS 0100](#), Returned Checks;
- [MS 0110](#), Report of Nonreceipt of Benefits Issued by Check;
- [MS 0240](#), Civil Rights Complaints; and
- [MS 0610](#), Overview of the Child Care Assistance Program.

[MS 0040](#) is also revised to state form PAFS-706, Voter Registration Rights and Declination, is retained in the case record for 3 years from the date of completion.

[MS 0170](#), Subpoenaed Information, is revised to remove the reference to Regional attorneys and state that if a subpoena is received, questions concerning what information can be released are sent to the Office of Legal Services. The Regional attorneys only handle Protection and Permanency issues.

[MS 0190](#), Agreement to Safeguard Information, is revised to update the procedure for an outside agency to request safeguarding of information agreement in order to obtain recipient information. These requests are handled by the Policy Development Branch in the Division of Family Support.

### Volume III

The [Table of Contents](#) is revised to delete MS 2312, Verification of Age, and MS 2314, Lack of Birth Verification and to change the title of MS 2105 to Joint Processing of K-TAP and SNAP Cases.

The following sections are revised to change food benefits to SNAP:

- [MS 2105](#), Joint Processing of K-TAP and SNAP Cases;
- [MS 2290](#), Verification of Identity Requirements;
- [MS 2326](#), Minor Teen Parents;
- [MS 2500](#), Income – General Information;
- [MS 2700](#), Introduction to Earned Income;
- [MS 3080](#), Penalty for Noncooperation; and
- [MS 5060](#), Child Support Requirements for Kinship Care.



[MS 2001](#), K-TAP 60-Month Lifetime Limit, is revised to incorporate the clarification that months are not removed from the 60-month count even if the benefits are repaid as a result of a claim.

[MS 2003](#), Extension of the 60-Month Lifetime Limit, is revised to clarify that an extension can be granted anytime after a K-TAP discontinuance due to the 60-month limit.

[MS 2200](#), Family Alternatives Diversion, is revised to state that receipt from another state's diversion program does not count toward the FAD limit.

[MS 2215](#), Technically Excluded Individuals, is revised to incorporate the clarification that if the individual has multiple drug felony convictions, the treatment program must be completed after the most recent conviction.

[MS 2250](#), Family with Minor Parent, is revised to add a reference to [MS 2260](#), Married Minor Teen.

[MS 2260](#), Married Minor Teen, is revised to add that when a married minor teen parent and spouse are living with the minor teen's parent, the parent's income is excluded. The married minor teen is considered an adult.

[MS 2275](#), Subsidized Adoption Child, is revised to add the member coding for a subsidized adoption child included in the K-TAP case, M05, or not included, T.

[MS 2310](#), Age, is revised to incorporate the information formerly located in MS 2312 and MS 2314. In addition, procedures related to processing a K-TAP case without in-state or out-of-state birth verification are simplified and processed the same.

MS 2312 and MS 2314 are obsolete and the information is incorporated in MS 2310.

[MS 2650](#), Other Unearned Income, is revised to incorporate the clarification concerning the consideration of gift cards as income.

[MS 2770](#), Self-Employment Income, is revised to state that self-employment income is recalculated at a minimum of six-month intervals.

#### Volume IIIA

[MS 4005](#), KWP Participation Requirements, is revised to add a reference to [MS 4230](#), Community Service, to item A.1.g.

[MS 4300](#), Accident Insurance for Work Experience and Community Services Placements, is revised to clarify if an accident is covered by another insurance such as car insurance, that insurance is billed before the WEP/COM insurance. Any uncovered medical bills are submitted to the WEP/COM insurance.

[MS 4520](#), K-TAP Transitional Assistance Agreement, is revised to incorporate a clarification concerning the suggested language on the TAA for individuals in good cause.

[MS 4655](#), Verification of Participation, is revised to remove the codes of JST, CCO and COL as they are obsolete. VOC is the only code used for core activities of

vocational training and short-term training. Information was added concerning the GED, ABE, and ESL components.

[MS 4750](#), Applying the KWP Sanction, is revised to include a teen parent under age 18 who has received a high school diploma or equivalent is subject to sanction if he/she is not participating in a core activity.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to clarify that the cure begin date is the date the individual agrees to participate.

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised to incorporate a clarification that states transportation can be paid if the individual needs it to transport a child to daycare in order to work or participate in an activity.

[MS 5375](#), Car Repairs and Expenses, is revised to incorporate two clarifications concerning out-of-state driver's license and registration and the individual's responsibility to settle disputes with the provider. The clarification concerning the value of the car is removed from the site as it is no longer valid.

**\*\*Note:** Once clarifications have been incorporated into a manual section, the clarification is removed from Volume X, Clarifications.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 388  
June 1, 2011

Subject: Form FS-2, SNAP 6-Month Review

Beginning June 6, 2011, all SNAP households, except expedited application households with postponed verification, who complete an application or recertification are given a 12-month certification period. Households with members who are not elderly or disabled, or elderly/disabled households with earnings, are subject to a new six month review process. The following manual sections are developed or revised due to the implementation of this policy.

### Vol. II

The [Table of Contents](#) is revised to add [MS 6480](#), [MS 6485](#), and [MS 6490](#).

[MS 6480](#), SNAP 6-Month Review Overview, is created to provide an explanation of the FS-2, SNAP 6 Month Review form.

[MS 6485](#), SNAP 6-Month Review Processing, is created to outline the actions to be taken when processing form FS-2 and the timeframes in which to do so.

[MS 6490](#), SNAP 6-Month Review Verification Requirements, is created to state the verification required to process form FS-2.

[MS 6600](#), Assigning Certification Periods, is revised to state that all households are now assigned a 12 month certification period, except for expedited applications with postponed verification.

## Division of Family Support

Operation Manual  
Transmittal Letter No. 387  
May 1, 2011

Subject: Various Revisions to Volumes I, IV, and IVA

### Volume I

[MS 0670](#), Income and Eligibility Verification System (IEVS), is revised to remove the reference to form PA-62, PAS/LTC Authorization, as SSI Long Term Care(LTC) cases are now entered on KAMES.

[MS 0675](#), Resolving IEVS Discrepancies, is revised:

- To remove references to form PAFS-7, Notice of Appointment/Request for Verification, as it is now obsolete;
- To clearly define what Federal Tax Information (FTI) is;
- To identify KAMES screens containing FTI.
- To clarify that FTI, such as the employer's name or the income amount, must not be entered on form PAFS-2, Application Letter or Notice of Expiration, or the RFI.

[MS 0680](#), IRS Safeguarding Issues, is revised to remove any references to form PAFS-7 and to clarify what constitutes FTI. It is further revised for wording and clarity.

### Volume IV

The [Table of Contents](#) is revised to remove MS 3280, MS 3820, MS 3830, and MS 4385 as these are obsolete.

The Table of Contents is further revised to change the name of MS 4400 to Home Energy Assistance Program (HEAP).

[MS 1270](#), Household Member Overview, is revised:

- To clarify that if both parents are in the home, and not married, but paternity has been adjudicated or administratively established, the father must be included in the case if the definition of second parent is met;
- To clarify that an individual under the age of 19, or age 19 and meeting school attendance requirements, does not live with his/her parents or other caretaker relative, then a case may be established in the individual's name; and
- For minor changes in wording.

[MS 2400](#), Relationship Requirements, is revised to clarify a child meeting financial eligibility requirements may be technically eligible for Family MA or AFDC Related MA when living with both parents, married or unmarried and incapacity of either parent exists.

[MS 2410](#), The Specified Relative (SR) and the Second Parent, is revised to clarify if both parents are in the home, married or unmarried, the second parent must be included in the case if paternity has been adjudicated or administratively established.

[MS 2570](#), Incapacity, is revised:

- To clarify that the father must be included in the case if parents are married (legally married or recognized as married through common-law by another state) or unmarried and if paternity has been adjudicated by the court or administratively established; and
- To remove form PA-601R, Referral for Redetermination of Incapacity/Disability as this form was obsolete in a previous FMTL.

[MS 2600](#), Unemployment, is revised to clarify if both parents are in the home, but are not married and paternity has been adjudicated or administratively established, the father must be included in the case. It is also revised to add regular employment to types of employment.

MS 3280, Earned Income Tax Credit, is obsolete as this information is included in other manual sections including MS 3400, Excluded Resources, and MS 3850, Excluded Income.

MS 3470, Verification Of Zero Income, is revised to incorporate policy that verification of zero income is not required for any member of the household, including the head of household, unless questionable.

[MS 3590](#), Other Unearned Income, is revised to clarify that bank and other financial statements are used to verify investments only.

[MS 3620](#), Trusts, is revised to remove the link to Volume I, [MS 0151](#), and replace with Volume IV, [MS 1320](#), Standards of Promptness, for cases pending over 30 days with good cause. It is further revised to list information needed when forwarding a trust for review.

[MS 3800](#), Nonrecurring Lump Sum Income, is revised to clarify that if a lump sum is from a federal or state income tax refund, it is excluded as income for 12 months from the month of receipt. It is further revised to reorganize manual material.

MS 3820, Reapplication During Lump Sum Period, is obsolete as this policy no longer applies.

MS 3830, Shortening The Lump Sum Period, is obsolete as this policy no longer applies.

[MS 3850](#), Excluded Income, is revised:

- To clarify that federal tax refunds are excluded as income for 12 months from the month of receipt. This includes advance Earned Income Tax Credit (EITC) payments; and
- To incorporate policy to exclude K-TAP and Kinship Care payments of an individual, other than a parent, not included in the MA family size for a separate case which includes a minor parent.

[MS 4305](#), Standard Filing Unit, is revised to clarify that both parents in a two parent household, married or unmarried, are included in the same case if paternity has been adjudicated, administratively established, or established through a legal marriage.

[MS 4312](#), Resources-General Information, is revised to remove the link to Volume I, [MS 0151](#), and replace with Volume IV, [MS 1320](#), Standards of Promptness, for cases pending over 30 days with good cause.

MS 4325, Countable Resources, is revised:

- To state Federal tax refund monies, including advance Earned Income Tax Credit (EITC) are countable resources if there is any remaining funds 12 months after the month of receipt; and
- To incorporate policy that lump sum back payments from SSI and/or RSDI are excluded for the first 6 months following the month of receipt.

[MS 4360](#), Income-General Information, is revised to move some of the more in depth content from general information to [MS 4410](#), Introduction to Earned Income. It is further revised to reorganize manual material.

[MS 4365](#), Excluded Income, is revised:

- Add in-kind income as excluded income;
- Clarify that HEAP payments made directly to a vendor by an individual are considered vendor payments and are excluded;
- To clarify that federal tax refunds are excluded as income for 12 months from the month of receipt. This includes advance Earned Income Tax Credit (EITC) payments; and
- Incorporate policy that Tobacco Settlement Income as excluded in the month of receipt and the month after receipt. It is considered a countable resource in the third month and thereafter.

[MS 4370](#), Introduction to Unearned Income, is revised to remove the link to Volume I, [MS 0151](#), and replace with Volume IV, [MS 1320](#), Standards of Promptness, for cases pending over 30 days with good cause. It is also revised to clarify that bank and other financial statements are used to verify investments only.

[MS 4385](#), Nonrecurring Lump Sum Income, is obsolete as this policy is included in MS 3800.

[MS 4400](#), Home Energy Assistance, is revised to change the title to Home Energy Assistance Program (HEAP). It is further revised to clarify that HEAP payments made directly to a vendor by an individual are considered vendor payments and are excluded. It is also revised for clarity, changes in wording, and to reorganize manual material.

[MS 4405](#), Other Unearned Income, is revised to clarify that bank and other financial statements are used to verify investments only.

[MS 4410](#), Introduction to Earned Income, is revised to reorganize manual material for clarity. It is also revised to incorporate some of the content that was once found in MS 4360. It is further revised to remove the link to Volume I, [MS 0151](#), and replace with Volume IV, [MS 1320](#), Standards of Promptness, for cases pending over 30 days with good cause.

## Volume IVA

The [Table of Contents](#) is revised to add [MS 1885](#), Long Term Care Partnership Insurance Program.

The Table of Contents is further revised to change the name of MS 5235 to Return Of State Supplementation (SSP) Checks.

[MS 1880](#), Excluded Resources, is revised to:

- Incorporate new procedures regarding resources that can be excluded when designated as protected through the Long Term Care (LTC) Partnership Insurance Program;
- To clarify that the entire value of non-excluded recreational vehicles is a countable resource as these vehicles are not allowed the \$4500 exclusion;
- To clarify that income producing property is not considered essential to the support of an individual in a nursing facility; and
- Reword for clarity.

[MS 1885](#), Long Term Care Partnership Insurance Program, is created to describe the Long Term Care Partnership Insurance Program. This program is a partnership between the Department for Medicaid Services (DMS), the Department of Insurance (DOI), and private long term care insurance companies. Applicants who own a LTC insurance policy which is qualified as a Partnership insurance policy are eligible for a “dollar for dollar” asset disregard from Medicaid for benefits used under their policies which have been verified to be partnership qualified.

[MS 1890](#), Annuities, is revised to remove the link to Volume IVA, [MS 1475](#), and replace with Volume IVA, [MS 1470](#), Standard of Promptness, for cases pending over 30 days with good cause. It is also revised to condense wording for reviewing annuities before forwarding to MSBB.

MS 2010, Trusts, is revised to remove the link Volume I, MS 0151, and replace with Volume IVA, MS 1470, Standard of Promptness, for cases pending over 30 days with good cause. It is also revised to list the information needed when forwarding a trust for review. It is further revised to incorporate the following procedures:

- Use form MA-33, DMS Review/Cover Sheet when forwarding trusts to MSBB; and
- Scan all documents and send to MSBB by e-mail at [DFS.Medicaid@ky.gov](mailto:DFS.Medicaid@ky.gov).

[MS 2210](#), Unearned Income, is revised to remove the link Volume I, [MS 0151](#), and replace with Volume IVA, [MS 1470](#), Standard of Promptness, for cases pending over 30 days with good cause.

[MS 2320](#), Other Unearned Income, is revised to clarify that bank and other financial statements are used to verify investments only.

[MS 2465](#), Nonrecurring Lump Sum, is revised to clarify that if a lump sum is from a federal or state income tax refund, it is excluded as income for 12 months from the month of receipt. It is further revised to reorganize manual material.

[MS 2470](#), Excluded Income, is revised:

- To clarify to exclude K-TAP and Kinship Care payments of an individual, other than a parent, not included in the MA family size for a separate case which includes a minor parent;
- To clarify the first \$90 of Veterans Administration (VA) pension is excluded and for VA pensions less than \$90, exclude the entire amount;
- To clarify that federal tax refunds are excluded as income for 12 months from the month of receipt. This includes advance Earned Income Tax Credit (EITC) payments;
- To clarify that Tobacco Settlement Income is excluded in the month of receipt and the month after receipt. It is considered a countable resource in the third month and thereafter;
- To include Placing Adults in Competitive Employment (PACE) income; and

- For minor changes in wording.

[MS 2650](#), Introduction To Spend Down, is revised to remove the link Volume I, [MS 0151](#), and replace with Volume IVA, [MS 1470](#), Standard of Promptness, for cases pending over 30 days with good cause. It is further revised for minor changes in wording.

[MS 3460](#), Countable Income for Patient Liability Determination, is revised:

- To clarify to exclude the first \$90 of Veterans Administration (VA) pension. For VA pensions less than \$90, exclude the entire amount;
- To add VA Dependency and Indemnity Compensation as countable income in Medicaid eligibility determinations;
- To change the address for returning State Supplementation checks; and
- To reorganize manual material and minor changes in wording.

[MS 3470](#), Excluded Income for LTC/Waiver, is revised to clarify that the first \$90 of Veterans Administration (VA) pension is excluded. For VA pensions less than \$90, exclude the entire amount. It is further revised to remove nursing facility (NF) insurance as excluded income.

[MS 3720](#), Introduction to Estate Recovery, is revised to include individuals who receive Medicaid to cover services received for Adult Day Care, Michelle P., Mental Health Psychiatric Facility, and ABI/ABI LTC as subject to estate recovery.

[MS 3730](#), DCBS Responsibilities, is revised to:

- Add Michelle P and ABI LTC to the list of programs for which recipients are subject to estate recovery;
- Remove Model Waiver II;
- Remove the reference to another system as applications/recertifications are no longer entered on the PA-62 system;
- Remove the reference to a desk review for SSI recipients;
- Change the address workers are to give clients requesting more information about estate recovery as these questions now go to DMS;
- Change the term 'interested party' to 'authorized representative'; and
- Remove paragraph G as the address is listed in paragraph A, item 2.

[MS 5235](#), Return Of SSP Checks, is revised to change the title to Return Of State Supplementation (SSP) Checks. It is further revised to change the address for returning State Supplementation checks.



Subject: Incorporation of Clarifications and Various Changes

Volume I is revised to state only one form of ID is required. Volume II is revised to incorporate several policy clarifications and to change references from food benefits to SNAP. Volume IIA is revised to change the reference in headers from FS Work Requirements to SNAP Work Requirements for [MS 1050](#) through [MS 4900](#); change reference in manual sections from NAAB to NAB; change reference from FSETP worker to ETP worker; change reference from FS to SNAP; add a statement that there are no procedures for curing an ETP disqualification in an inactive county which was previously erroneously removed; and to incorporate several policy clarifications.

#### VOLUME I

[MS 0290](#), Security of EBT Cards, is revised to state that only one form of identification is required from a recipient who is picking up an EBT card.

#### VOLUME II

[MS 2300](#), Students, is revised to incorporate a policy clarification which states that if no natural, adoptive or stepparent resides in the same SNAP household as the child, another full-time student in the same SNAP household as the child may be considered an eligible student if he/she has parental control over the child and is not living with a spouse. It is also revised to change a reference from food benefits to SNAP benefits.

[MS 2600](#), Basis for Treatment Center Participation, is revised to change references from food benefits to SNAP and to state that the letter some centers receive from the Department for Mental Health/ Developmental Disabilities and Addiction Services (DMH/DDAS) is good indefinitely and no subsequent review is conducted by DMH/DDAS.

[MS 2660](#), Center Responsibilities, and [MS 2730](#), Group Living Responsibilities, are revised to state that the center should compare their list of active participants to their file of EBT cards to ensure they have either given the EBT cards to the participants as they leave, or have returned them to the local office. [MS 2660](#) is further revised to include that any EBT cards that are returned to the local office must be logged onto form EBT-5, Affidavit of Destruction, and destroyed and that when a client's case remains active, he/she must call to request a new EBT card. It is also revised to state that if a participant leaves the center but does not provide a new address, remove the verification of residency on KAMES so that the system will issue an RFI to the last known address and take appropriate action.

[MS 2900](#), Alien Status, is revised to change references from food benefits to SNAP. It is also revised to clarify how a 40 quarters wage request is completed and the RDS/Document report number.

[MS 2910](#), Verification of Alien Status, is revised to change references from food benefits to SNAP. It is also revised to clarify a 40 quarters wage request is completed on Option P off the KAMES main menu.

[MS 3175](#), Verification at Application, is revised to state that if a client reports during an interview that he/she has resources, the worker must enter the client stated amounts. It is also revised to change the reference from food benefits to SNAP.

[MS 3850](#), Representative Liability for Overissuances, is revised to incorporate a federal clarification that both the household and the representative are responsible for overissuances.

[MS 5210](#), Excluded Income, is revised to add that reverse mortgages are considered loans and are excluded income and to change the references from food benefits to SNAP. It is also revised to clarify that BAH payments paid to a third party by the employer to pay a household's expenses are not considered as vendor payments. BAH payments shown on the LES are countable income.

[MS 5220](#), Countable Income, is revised to state that Incentive Therapy (IT) Program and Compensated Work Therapy Program payments through the Veteran's Administration (VA), the dependent allowance that other states receive as part of their Unemployment Insurance (UI) payments, and Student Conservation Association (SCA) payments are countable income. It is also revised to change references from food benefits to SNAP and to add that holiday pay that is representative of ongoing income is countable.

[MS 5430](#), Allowable Medical Deductions, is revised to add that authorization by a licensed practitioner or other qualified health professional is sufficient verification for medical supplies. It is also revised to changed references from food benefits to SNAP.

[MS 5440](#), Disallowable Medical Deductions, is revised to add an example of a reimbursable expense when a joint application for SNAP and MA is taken. It is also revised to change references from food benefits to SNAP.

[MS 5470](#), Allowable Shelter Deductions, is revised to add that subsidy recapture payments are not an allowable shelter deduction unless the household has a verified continuing repayment agreement.

[MS 6210](#), Scheduling Recertifications, is revised to state if a client fails to keep a second appointment, his/her case will discontinue at the end of the recert period for failing to make and keep an appointment in the last month of his/her certification period rather than for failing to keep the initial appointment.

[MS 6340](#), Conducting Out-Of-Office Interview, is revised to state that if a client states that he/she would like to come by the office to sign forms, a copy can be left at the front desk to sign the next business day. If the client does not come in, the forms should be mailed no later than close of business the day after the phone interview was completed.

[MS 7000](#), Required Verification at Application, is revised to state that it is not necessary to verify zero on-going income when a household reports a termination of employment. It is also revised to state that if a driver's license is used to verify identity, it does not matter if the license has expired. It is further revised to state

that if child support payments are made through KASES, use KASES Option 19, Case Summary Benefits Summary Inquiry, to verify the legal obligation and payments.

[MS 7030](#), Required Verification at Recertification, is revised to state that if child support payments are made through KASES, use KASES Option 19, Case Summary Benefits Summary Inquiry, to verify the legal obligation and payments.

[MS 7475](#), Food Benefits Case Documentation, is retitled SNAP Case Documentation, and is revised to change the reference from food benefits to SNAP. It is further revised to clarify that a worker must document the date that an FS-1, Application for SNAP, was received, how it was received, and why the FS-1 is completed when a client chooses not to wait to be seen.

[MS 8220](#), Authorizing Replacements due to a Casualty Loss, is revised to state that stolen food is not considered a casualty loss and to change references from food benefits to SNAP.

## VOLUME IIA

The [Table of Contents](#) is revised to add the abbreviation (SNAP) after the Supplemental Nutrition Assistance Program. It is further revised to change the title of [MS 1555](#) from “FS Work Registration for K-TAP Applicants” to “SNAP Work Registration for K-TAP Applicants”.

[MS 1050](#), Frequently Used Terms, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP, FSETP to ETP, and NAAB to NAB.

[MS 1100](#), Overview, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from the FS program to the Supplemental Nutrition Assistance Program (SNAP).

[MS 1550](#), Work Registration Procedures, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 1555](#), FS Work Registration for K-TAP Applicants is revised to change the header from FS Work Requirements to SNAP Work Requirements and the title to SNAP Work Registration for K-TAP Applicants. It is further revised to change the reference from FS to SNAP.

[MS 1650](#), Exemptions, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to clarify the worker answers “Y” to the question “Verified unable to work” question on KAMES, when a written statement or FS-704 is provided and to include that a social worker can complete the form. It is also revised to include an example of when a household member is **exempt from work registration** for a child under age of 6 not in the SNAP household. It is also revised to clarify a member who appeals a UIB denial, remains exempt work registration during the appeal process.

[MS 1700](#), Loss of Exemption, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 1705](#), Loss of Exemption for 18-Year-Olds, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP. It is also revised to clarify that a member who turns 18 during a certification period is not required to work register until the next recertification.

[MS 1750](#), Change in Exemption, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 2000](#), ABAWD Overview, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 2100](#), ABAWD Work Requirements, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to clarify a member who resides in an ABAWD waiver county is exempt ABAWD work requirements. It is further revised to add a statement that ineligible aliens are not required to cooperate with ABAWD activities but must be correctly target coded.

[MS 2105](#), ABAWD Exemptions, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to clarify that in order to be **exempt ABAWD** due to the care of a child in the home under 18, the child must be a member of the SNAP household.

[MS 2200](#), Target Codes, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FSETP worker to ETP worker.

[MS 2250](#), Components, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 2300](#), ABAWD Tracking, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 2350](#), Changes in ABAWD Status, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 2355](#), Returning ABAWD, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 2450](#), Out of State ABAWD, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP and NAAB to NAB.

[MS 2500](#), Procedures for Non-Exempt ABAWD, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 2550](#), Good Cause Determination, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 2600](#), Transportation "Excessive Expense" Good Cause Exemption, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 2700](#), ABAWD Noncompliance, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 2750](#), ABAWD Bonus Months, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 3050](#), ETP Overview, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FSETP worker to ETP worker.

[MS 3100](#), ETP Referrals, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FSETP worker to ETP worker.

[MS 3150](#), Volunteers, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 3300](#), EZ Inquiry, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FSETP worker to ETP worker and NAAB to NAB.

[MS 3400](#), Reporting Changes, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FSETP worker to ETP worker and FS to SNAP.

[MS 3500](#), Transportation Payment Procedures, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 3600](#), Authorizing Transportation Payments, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 3700](#), Conciliation Due to Noncompliance, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FSETP worker to ETP worker.

[MS 3800](#), Imposing ETP Disqualifications, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 3850](#), ET Conciliation Met, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 3900](#), Curing Disqualifications, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 4000](#), Compliance Referrals, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 4205](#), Voluntary Quit/Reduction of Work Hours Identification, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is

further revised to clarify a household is allowed to change the work registration exemption for who is responsible for caring for a child under age 6 at any time.

[MS 4250](#), Good Cause for Voluntary Quit/Reduction of Work Hours, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 4300](#), Evaluating Acceptable Employment, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 4350](#), Noncompliance with other Work Programs, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 4450](#), Imposing Work Related Disqualifications, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 4500](#), Ending Work Related Disqualifications, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 4550](#), Penalties for Noncompliance, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from FS to SNAP.

[MS 4800](#), Move from County to County, is revised to change the header from FS Work Requirements to SNAP Work Requirements. It is further revised to change the reference from NAAB to NAB. It is also revised to add a statement that there are no procedures for curing an ETP disqualification in an inactive county.

[MS 4850](#), Reinstating after Erroneous ETP Disqualification, is revised to change the header from FS Work Requirements to SNAP Work Requirements.

[MS 4900](#), Spot Checks and Reports, is revised to change the header from FS Work Requirements to SNAP Work Requirements.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 385  
April 1, 2011

Subject: Fair Hearings, Claims, and Mileage Rate

### Volume I

The [Table of Contents](#) is revised to reflect the title change of [MS 0490](#) to Program Participation Pending the Hearing - SNAP.

[MS 0440](#), Administrative Hearing Overview, is revised for clarity and to change the reference of Food Benefits to SNAP. It is further revised to capitalize the term "Agency" and the phrase "Fair Hearings".

[MS 0475](#), Hearing Time Frames, is revised to change the reference of Food Benefits to SNAP. It is further revised to correct the spelling of the word "Bases" to "Based".

[MS 0480](#), Scheduling the Hearing, is revised to change the reference of Food Benefits to SNAP.

[MS 0490](#), Program Participation Pending the Hearing Food Benefits Program, is revised for clarity and to change the title to Program Participation Pending the Hearing- SNAP. It is further revised to capitalize the term "Agency".

[MS 0500](#), Conduct of the Hearing, is revised to change the reference of Food Benefits to SNAP.

[MS 0510](#), Recommended Order, is revised to change the reference of food benefits to SNAP. It is further revised to capitalize the term "Office".

[MS 0520](#), Local office Follow-Up to a Final Order, is revised for clarity and to change "Food Benefits" to "SNAP allotment".

[MS 0530](#), Appeal to the Appeal Board, is revised to correct the term "Hearing" to "Hearings".

[MS 0545](#), Judicial review of Appeal Board Decisions, is revised to correct the department name to Department for Community Based Services.

[MS 0950](#), Claim Repayment Methods, is revised to include payments made through SNAP Restorations and TANF Related Supplementals.

[MS 1000](#), Categories of SNAP Claims, Inadvertent Household Error, is revised to include claims where the benefit applications are lost or unsigned.

[MS 1010](#), Procedures for Specific Households, is revised to define Dual Participation for claim purposes and to include examples.

[MS 1015](#), Drug/Alcohol Abuse Treatment Center Claims, is revised to include that this type of claim is only valid for over-issuances that occurred on or after January 1, 2010.

Division of Family Support

Operation Manual  
Transmittal Letter No. 385  
April 1, 2011

Subject: Fair Hearings, Claims, and Mileage Rate

[MS 1210](#), How to Calculate a Cash Assistance and other Related Program Claims, is revised to describe when a claim can be repaid with the same benefits issued. When benefits are returned prior to the claim being established Form EBT-61 is completed and No Claim is established.

Volume II

[MS 5320](#), Business Expenses, is revised to state that the allowable mileage rate is equivalent to the current business IRS mileage rate or the amount of the deduction that is shown on the federal tax return. Additionally, a link to the IRS mileage rate is added.

[MS 5430](#), Allowable Medical Deductions, is revised to state that the allowable mileage deduction is calculated based on the business IRS mileage rate or actual mileage expenses.



## Division of Family Support

Operation Manual  
Transmittal Letter No. 384  
April 1, 2011

Subject: Various Revisions to Volumes I, III, IIIA and VII

### Volume I

[MS 0001](#), Family Support Manuals and Program Instructions, is revised to remove Policy Updates from the Operations Manual and add Clarifications and change reference from food benefits to SNAP. In addition, in the Computer Manual, the following sections are removed: STEP, PA-62 and RDS. The item, Policy Clarifications, is also removed and the material is now under Clarifications in the Operations Manual.\*

[MS 0020](#), General Case Processing, and [MS 0060](#), Case Transfer Procedures, are revised to remove the references to PA-62 procedures as that system is obsolete effective 4/1/11.

[MS 0170](#), Subpoenaed Information, is revised to include a \*link to Office of Legal Service (OLS) to access a contact list of regional attorneys.

[MS 0210](#), Civil Rights Overview, is revised to correct the \*link to the Civil Rights pamphlet.

\* Please note that URL links within manual sections will have to be copied and pasted into the URL address box on the CHFS Intranet browser.

### Volume III

The [Table of Contents](#) is revised to add [MS 2158](#), Case Record Content, and delete the following sections:

- MS 2320, Full-Time and Part-time School Attendance; and
- MS 2336, Verification of Residency.

In addition, the [Table of Contents](#) is revised to change the name of [MS 2773](#) to Self-Employment Income Deductions.

[MS 2001](#), K-TAP 60-Month Lifetime Limit, is revised to clarify when the 60-month count begins for teen parents who are coded M03, head of household. It also clarifies the 60-month limit does not apply to minor teen parents coded M07.

[MS 2005](#), TANF Benefit Tracking, is revised to clarify reason code TE on the IM Tracking screen is used for teen parents coded M07, living in an adult-supervised setting and not considered as head of household.

[MS 2158](#), Case Record Content, is created to provide information on what materials must be retained in the case record.

## Division of Family Support

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[MS 2200](#), Family Alternatives Diversion, is revised to change the title of form FA-1 to Family Alternatives Diversion (FAD) Determination.

[MS 2203](#), FAD Eligibility Determination, is revised to change the title of form FA-1 to Family Alternatives Diversion (FAD) Determination. It is also revised to remove references to form FA-2, Family Alternatives Assessment, as the form is now obsolete. It is also revised to change reference from Food Stamps to SNAP.

[MS 2316](#), School Attendance Requirement, is revised to incorporate the information formerly located in MS 2320 and to clarify minor teen parents who have graduated or earned their GED are required to comply with KWP activities.

[MS 2318](#), School Attendance Verification, is revised to relocate information concerning system entries required to produce the quarterly school attendance report from MS 2316 and to state other documentation can be accepted to verify school attendance. Verification is not limited to form PA-33D, Child's Certification of School Enrollment/Attendance. In addition, a statement is added to send an RFI to the client requesting verification of school attendance for a child if the quarterly school attendance report is not returned.

MS 2320 is obsolete and the information is incorporated in [MS 2316](#), School Attendance Requirement.

[MS 2326](#), Minor Teen Parents, is revised to clarify if a minor teen parent (under age 18) receives his/her high school or equivalency diploma, the minor teen parent must participate in a KWP activity.

[MS 2334](#), Residency, is revised to incorporate information formerly located in MS 2336. It is also revised to further clarify the procedure for verifying out-of-state status for applicants entering Kentucky from another state.

MS 2336 is obsolete and the information is incorporated in [MS 2334](#), Residency.

[MS 2340](#), Deprivation and Joint Custody, is revised to state that in cases of joint custody, eligibility is based on where the child resides for the majority of the time. Parental involvement is no longer used in the determination.

[MS 2375](#), Referral for Child Support Enforcement, is revised to state that Child Support Enforcement completes medical support enforcement for SSI children.

[MS 2410](#), Excluded Resources, is revised to add Federal tax refunds received after 12/31/09 and Earned Income Tax Credit (EITC) payments are excluded in the month of receipt and 12 months from month of receipt.

[MS 2500](#), Income – General Information, is revised to allow client's statement as verification for no income for the K-TAP assistance group.

## Division of Family Support

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[MS 2510](#), Excluded Income, is revised to add Federal tax refunds received after 12/31/09 are excluded for the month of receipt and 12 months from month of receipt. It has also been revised to clarify interest and dividend income derived from a corporate business is not excluded. References to Food Stamps have been changed to SNAP. It is further revised to clarify verification is not needed for educational grants, loans and scholarships.

[MS 2630](#), Nonrecurring Lump Sum Income, is revised to clarify Federal and State tax refunds are not considered lump sum income.

[MS 2770](#), Self-Employment Income, is revised to add information concerning income from farming that was formerly found in MS 2773 and to change references from food benefits to SNAP.

[MS 2773](#), Farm Business/Self-Employment Income, is renamed Self-Employment Income Deductions, and is revised to remove duplicative information. In addition, the deduction for travel is changed to use the Federal mileage rate instead of the State Employee rate.

[MS 3000](#), Requirements for Child Support Action, is revised to remove the reference to the PA-62 system for the establishment of MSE cases for SSI children. Child Support Enforcement (CSE) will be responsible for the establishment of MSE.

[MS 3665](#), Unemployment Requirements, is revised to clarify a disqualification period of one month applies to UP cases discontinued for failure to cooperate with KWP requirements without good cause. Instructions on taking an application during the disqualification period have been added until system support is implemented. It is also revised to clarify requirements for an alien to be the Qualifying Parent in a K-TAP case.

[MS 3850](#), WIN Eligibility, is revised to provide the 2011 Federal Poverty Scale numbers. It is revised to add that a sanctioned individual is eligible for WIN and instructions on when to cure the sanction prior to WIN. It has also been added that excluded income does not qualify an individual for WIN. Procedure on how to correct if WIN is approved erroneously has been added.

[MS 3860](#), WIN Reimbursement Process, is revised to clarify the process of ensuring the issuance of the initial WIN reimbursement. Reference to KW-133 is removed.

## Volume IIIA

The following sections are revised to state that monthly hours of participation are divided by 4.33 to calculate the weekly hours. This is done to correct a discrepancy in the calculation of participation hours between the federal file and the STEP Caseload List. The federal file uses 4.33:

[MS 4245](#), Calculating Hours of Participation;  
[MS 4250](#), Employment;  
[MS 4650](#), Monitoring and Tracking Participation;  
[MS 4660](#), Excused Absences/Approved Holidays;  
[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases;  
[MS 4780](#), Curing the KWP Sanction at Reapplication; and  
[MS 4800](#), Unemployed Parent (UP) Participation.

[MS 4005](#), KWP Participation Requirements, is revised to remove references allowing an additional 12 months of vocational educational training. Participation in vocational education activities is only counted as a core activity for 12 cumulative months. After the 12 months, an individual may participate in a vocational education activity; however, the individual is required to participate in another activity to meet the core requirements. The vocational education can be used to meet the non-core requirements.

[MS 4200](#), Educational Component for Teen Parents, is revised to state a teen parent who has obtained his/her high school or equivalency diploma must participate in a core KWP activity.

[MS 4210](#), Vocational Educational Training, is revised to remove references allowing an additional 12 months of vocational educational training. It is also revised to remove the option of "Allowable Month" when entering JSE on the component screen HRJAS3D2.

[MS 4217](#), Coding Vocational Educational Training, is revised to remove references that allow an additional 12 months of vocational educational training. The KWP individual must meet requirements to count in the federal participation rate. It is also revised to remove the option of "Allowable Month" when entering JSE on the component screen HRJAS3D2.

[MS 4350](#), Non-Core and Allowed Activities, is revised to remove reference of the 12 allowable months of vocational training. It is also revised to clarify GED may count in the federal rate when combined with a core activity, as long as the individual does not have a high school diploma.

[MS 4380](#), Adult Education, is revised to include supervised study time as an activity for GED students.

[MS 4650](#), Monitoring and Tracking Participation, is also revised to remove reference to "countable" months of vocational educational training.

[MS 4660](#), Excused Absences/Approved Holidays, is also revised to list the new approved holidays list.

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[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases, is revised to clarify medical benefits are not restored for the month the disqualification is removed. The individual will be eligible for the following month.

[MS 5270](#), Approval for CCAP, is revised to remove reference to form DCC-91B, DCBS Client Fact Sheet, as it has been obsoleted by Division of Child Care.

Volume VII

[MS 0260](#), Component Activity (HRJAS3D2) Screen, is revised to remove reference to "allowable months" of vocational educational training.

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Division of Family Support

Operation Manual  
Transmittal Letter No. 383  
April 1, 2011

To: All Field Staff

Subject: 2011 Federal Poverty Level Guidelines (FPL) and Miscellaneous Changes

This OMTL is created to:

- Revise manual sections affected by changes to the federal poverty guidelines;
- Incorporate policy changes regarding KHIPP;
- Incorporate policy regarding changes to the mileage rates used to determine self employment expenses; and
- Incorporate the remaining Policy Updates in Volume X into their designated manual sections in order to obsolete Volume X.

Volume I

The [Table of Contents](#) is revised to add [MS 0021](#), General Overview of KAMES Inquiry.

[MS 0021](#), General Overview of KAMES Inquiry, is created to incorporate policy from Volume VI, MS 1400, General Overview of Inquiry, as it is now obsolete. It is further created to explain all options on the KAMES Inquiry Menu.

Volume IV

The [Table of Contents](#) is revised to remove MS 2160, as it is now obsolete.

[MS 1212](#), Family MA Interview Process, is revised to remove the reference to form PA-41, Health Insurance Letter, as this is no longer required.

[MS 1251](#), Family/AFDC Related Medicaid Documentation, is revised to remove the reference to form PA-41, Supp A, KHIPP Cover Letter, as this is no longer required.

[MS 2100](#), TPL Procedures, is revised to change the wording regarding third party liability.

[MS 2130](#), TPL Responsibilities, is revised to remove the directive to complete appropriate forms, as this is no longer required. It is further revised to include a link to [MS 2150](#).

[MS 2150](#), KHIPP Overview, is revised to incorporate the new policy and procedures regarding the KHIPP program. It is further revised to add a link to the KHIPP website.

MS 2160, KHIPP Procedures, is now obsolete, as policy and procedures regarding KHIPP have changed. Any current information has been incorporated into MS 2150.

[MS 2310](#), Sanctioned Individuals, is revised to remove references regarding sanctions for individuals who do not comply with KHIPP as this is no longer applicable.

[MS 2980](#), TMA Changes Requiring Action, is revised to:

- Add the statement TMA cases cannot be transferred during a report month, until the TMA reporting process is completed; and
- Add procedures for when a TMA case discontinues in error.

[MS 3450](#), Income Scales, is revised to incorporate the new FPL income scales which are effective 4/1/11. It is further revised for clarity and to remove the reference to interest bearing checking and savings accounts as interest is no longer countable income.

[MS 3550](#), Farm/Business, is revised to:

- Change the mileage rate allowed as a deduction for business purposes if the vehicle expenses are directly attributable to the operation of the business enterprise – provided the person uses their private vehicle. The mileage deduction is now equivalent to the amount shown on the federal tax return. If a tax return is not filed use the IRS mileage rate. This information can be accessed at: <http://www.irs.gov>. To access the current year's mileage rate enter the term "mileage rate" in the search box; and
- Reformat for clarity and to match policy found in Volume IVA regarding farm and business income.

[MS 3770](#), Deductions for Farm/Nonfarm Income, is revised to change the mileage rate allowed as a deduction for business purposes if the vehicle expenses are directly attributable to the operation of the business enterprise – provided the person uses their private vehicle. The mileage deduction is now equivalent to the amount shown on the federal tax return. If a tax return is not filed use the IRS mileage rate. This information can be accessed at: <http://www.irs.gov>. To access the current year's mileage rate enter the term "mileage rate" in the search box.

[MS 4455](#), Farm Business/Self-Employment Income, is revised to change the mileage rate allowed as a deduction for business purposes if the vehicle expenses are directly attributable to the operation of the business enterprise – provided the person uses their private vehicle. The mileage deduction is now equivalent to the amount shown on the federal tax return. If a tax return is not filed use the IRS mileage rate. This information can be accessed at: <http://www.irs.gov>. To access the current year's mileage rate enter the term "mileage rate" in the search box.

#### Volume IVA

The [Table of Contents](#) is revised to delete the following manual sections as these are obsolete and incorporated into other manual sections:

- MS 1480, Recertification Process;
- MS 1490, Interims;
- MS 5010, KHIPP Requirements ; and

- MS 5150, Computation.

The [Table of Contents](#) is further revised to change the name of the following manual sections:

- [MS 1500](#) to Adult MA Recertifications/Interim Changes; and
- [MS 4900](#) to State Supplementation Payments (SSP) Overview.

MS 1480, Recertification Process, is obsolete as it has been incorporated into [MS 1500](#).

MS 1490, Interims, is obsolete as it has been incorporated into MS 1500.

[MS 1500](#), Scheduling and Interviewing Procedures for Recertifications, is revised to:

- Change the title to “Adult MA Recertifications/Interim Changes”;
- Incorporate material from MS 1480 which is now obsolete;
- Incorporate material from MS 1490 which is now obsolete;
- Remove any references to completing the PA1A for interviews conducted by telephone as this was a requirement for cases on the PA-62 system; and
- Remove references to conducting phone interviews for individuals that are institutionalized as this is not correct policy. Phone interviews are only allowed in limited circumstances.

[MS 1690](#), KHIPP Overview, is revised to incorporate the new procedures regarding the KHIPP program.

[MS 2250](#), Farm/Business, is revised to:

- Change the mileage rate allowed as a deduction for business purposes if the vehicle expenses are directly attributable to the operation of the business enterprise – provided the person uses their private vehicle. The mileage deduction is now equivalent to the amount shown on the federal tax return. If a tax return is not filed use the IRS mileage rate. This information can be accessed at: <http://www.irs.gov>. To access the current year’s mileage rate enter the term “mileage rate” in the search box; and
- Reformat for clarity and to match policy found in Volume IV regarding farm and business income.

[MS 2450](#), Self-Employment, is revised to change the mileage rate allowed as a deduction for business purposes if the vehicle expenses are directly attributable to the operation of the business enterprise – provided the person uses their private vehicle. The mileage deduction is now equivalent to the amount shown on the federal tax return. If a tax return is not filed use the IRS mileage rate. This information can be accessed at: <http://www.irs.gov>. To access the current year’s mileage rate enter the term “mileage rate” in the search box.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to incorporate the FPL income scales which are effective 4/1/11.



[MS 4330](#), Financial Eligibility, is revised to incorporate the FPL income scales which are effective 4/1/11.

[MS 4455](#), Income Limits for Medicare Savings Program, is revised to incorporate the FPL income scales which are effective 4/1/11.

[MS 4460](#), Medicare Savings Program Income, is revised to incorporate the FPL income scales which are effective 4/1/11.

[MS 4900](#), State Supplementation Overview is revised to:

- Change the title to State Supplementation Payments (SSP) Overview;
- Incorporate policy from MS 5150, Computation, which is now obsolete; and
- Incorporate policy from Volume X, MS 99778, Changes in Restoration and Supplemental Processing, which is now obsolete.

MS 5010, KHIPP Requirements, is now obsolete, as policy and procedures regarding KHIPP have changed. Any current information has been incorporated into [MS 1690](#).

MS 5150, Computation, is now obsolete as it is incorporated into MS 4900.

## Volume VI

The [Table of Contents](#) is revised to delete the following manual sections:

- MS 1400, General Overview of Inquiry;
- MS 3680, Entering Unpaid Balance;
- MS 3810, Entering Cost of Care;
- MS 4255, TMA;
- MS 5350, Issuing Restorations; and
- MS 5405, Manually-Issued Supplementals.

MS 1400, General Overview of Inquiry, is obsolete as it has been incorporated into Volume I, MS 0021, KAMES General Overview of Inquiry.

MS 3680, Entering Unpaid Balance, is obsolete as policy no longer applies.

MS 3810, Entering Cost of Care, is obsolete as policy no longer applies.

MS 4255, TMA, is obsolete as part of the policy no longer applies and part of the policy is incorporated in MS 2980, TMA Changes Requiring Action.

MS 5350, Issuing Restorations, is obsolete as it is incorporated into Volume IVA, MS 4900, State Supplementation Overview.

MS 5405, Manually-Issued Supplementals, is obsolete as it is incorporated into MS 4900, State Supplementation Overview.

## Volume X

The following OMU's are deleted as they are incorporated into their designated manual sections:

MS 99548, TMA Recertification Expansion, is obsolete as part of it was incorporated into the manual in a previous OMTL and the remainder is incorporated into Volume IV, [MS 2980](#), TMA Changes Requiring Action;

MS 99627, Spend Down Changes, is obsolete as it was incorporated into the manual with a previous OMTL;

MS 99690, Long Term Care Certification Automation, is obsolete as the policy manual section it referenced no longer applies and is also obsolete;

MS 99758, KAAAP Case Summary Screen, is obsolete as this does not pertain to policy and should have not been included in Volume X; and

MS 99778, Changes in Restoration and Supplemental Processing is obsolete as it is incorporated into Volume IVA, [MS 4900](#), State Supplementation Overview. The K-TAP and SNAP sections have previously been incorporated in Volume II, [MS 6770](#), Providing Supplementals, Volume III, [MS 2180](#), Supplemental Payments, and Volume I, [MS 0950](#), Claims Repayment Methods.

Volume X is now obsolete.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 382  
March 1, 2011

To: All Field Staff

Subject: Volume II, MS 7030 Revision

VOLUME II

[MS 7030](#), Required Verification at Recertification, is revised to state that the client's statement is acceptable verification for lack of income unless questionable at recertification. This policy was effective 2/11; however, this manual section was inadvertently omitted.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 381  
February 1, 2011

To: All Field Staff

Subject: Consumer Directed Option (CDO)

Volume IVA

[MS 2800](#), Consumer Directed Option (CDO), is revised to completely reorganize the manual section. It is further revised to:

- Clarify that CDO services CANNOT be entered on KAMES as a type or a level of care. "AAA" has to be entered as a provider on the LTC screen (even though they are not an actual provider) and KAMES requires workers to enter a provider type. If the provider # begins with 43, KAMES will require workers to enter the type as adult day. Workers are to follow what is on the PRO Cert.
- Explain that pay received by a CDO employee is countable when that employee or a member of their family applies for MA benefits. CDO income is considered the same way as if the wages were from a regular employer. This is true for CDO employees who are relatives of the member for whom they provide services, as well as for non-related CDO employees;
- CDO services are available through the Area Agency on Aging (AAA) but they do not provide services to clients. They serve as a support broker and help recruit, hire, and manage employees. They also negotiate rates;
- Step out the process on how CDO services can be combined with traditional services such as HCBS, Adult Day, SCL or ABI; and
- Explain that HCBS and Adult Day can co-exist but a recipient cannot have two HCBS providers or two Adult Day providers. ABI must have two providers, one as the case manager and one as the provider. All other waivers can only have one provider, even if they receive CDO services. If they receive CDO services, discharge from traditional services and enter the "AAA" provider.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 380  
February 1, 2011

To: All Field Staff

Subject: Changes to Volume I Regarding QC Policy and Various Changes  
to Volume II

VOLUME I

[MS 0390](#), Refusal to Cooperate With QC, is revised for clarity to outline the actions to be taken when a household that has an active "refusal to cooperate with QC" disqualification reapplies for SNAP benefits. It is further revised to add the procedures to be taken when a disqualified household that does not wish to apply for SNAP requests to cooperate with QC.

VOLUME II

Various manual sections are revised to incorporate policy clarifications and to change references from food benefits to SNAP benefits.

The [Table of Contents](#) is revised to change the title of MS 6790 from Food Benefits Restorations to SNAP Restorations.

[MS 2350](#), Criminals, is revised to incorporate several policy clarifications. It is revised to include that drug felons who have not completed a drug treatment program must verify it at each recertification that they are still participating in the program. It is also revised for clarity to state that a self assessment of chemical dependency is acceptable for Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) as this is the only type of assessment that is required for these programs. It is further revised to state that if an individual criminal record is expunged, they are no longer considered a drug felon.

[MS 2790](#), Regional Responsibilities for DAA's and GLA's, is revised to clarify that staff is required to perform random visits to DAA's quarterly and GLA's periodically. Staff is not required to submit reports of their findings to the CHFS Food Benefits Inbox for GLA's.

[MS 2900](#), Alien Status, is revised to incorporate a policy clarification which stated asylees and refugees who were once admitted under Sec 207 and 208 of the INA but have since obtained legal permanent resident status under sec. 209 remain as qualified aliens and are not subject to the 5 year date of entry ban.

[MS 3120](#), Eligibility Determination For SNAP Applications from SSA, is revised to incorporate a policy clarification which detailed policy on what to do when an unsigned SNS-101 is received by the local office.

[MS 5220](#), Countable Income, is revised to incorporate several policy clarifications which stated that the following types of income are countable:

- Vacation pay that is received for a week in which the client also worked is considered a resource.
- Special Duty Allowance (SDA) military income.
- Kentuckiana Regional Planning and Development Agency (KIPDA) payments.
- 

It is further revised to state that military households receiving Basic Allowance for Housing (BAH) or Basic Allowance for Subsistence Quarters (BAQ) income who also incur a shelter cost are entitled to a shelter deduction.

[MS 5330](#), Budgeting Non-Farm Income, is revised for clarity to add examples of new business self employment income situations.

[MS 5650](#), Budgeting Income, and [MS 5660](#), Converting Income, are revised to state that if a client is unable to provide the previous two months verification but has verification that is representative of their on-going income, accept their verification. [MS 5650](#) is also revised to correct the tip example and to clarify policy on verifying a change in hourly rate of pay.

[MS 6020](#), Caseworker Responsibilities, is revised to incorporate policy on processing an application for an individual who has received benefits in another state.

[MS 6705](#), Simplified Reporting Households, is revised to incorporate a policy clarification that states when a change is reported the worker must explore all technical eligibility factors related to the change.

[MS 6790](#), Food Benefits Restorations, is revised to incorporate a policy clarification which states restorations are completed based on what the household situation SHOULD HAVE been if the case had been processed correctly.

[MS 7000](#), Required Verification at Application, is revised to state that "client statement" is accepted as verification for lack of income for the head of household unless questionable and to add a reference to [MS 7020](#) on what is considered questionable information.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 379  
January 1, 2011

To: All Field Staff

Subject: 2011 Medicaid Standards, Out-of-State Inquiries and Miscellaneous Changes

This OMTL is created to:

- Include the 2011 income limit for Substantial Gainful Activity for a single individual;
- Include the 2011 transfer of resource factor;
- Include the 2011 resource limits for the Medicare Savings Program; and
- Include the 2011 home equity limit;

This OMTL is also created to revise several manual sections for clarity and comprehension in both Volume IV and IVA. Many manual sections have been completely reformatted and reorganized to accommodate changes. It is further created to give a better explanation of procedures regarding the following topics:

- Out-of-State Inquiries;
- Standard of Promptness
- Citizenship Requirements and the 90 day verification grace period; and
- Other minor grammatical corrections to form names and division titles.

Volume I

The [Table of Contents](#) is revised to change the title of [MS 0470](#), Hearing Requests for Medicaid Discontinued due to the Loss of Supplemental Security Income (SSI) to "Medicaid Hearing Request Due to the Loss of SSI".

[MS 0470](#), Hearing Requests for Medicaid Discontinued due to the Loss of Supplemental Security Income (SSI), is revised to:

- Change the title to "Medicaid Hearing Request Due to the Loss of SSI";
- Provide an explanation of why a Medicaid card is automatically issued to an individual who is approved for an SSI payment; and

- Remove policy which states that individuals who need to request a continuation of their Medicaid benefits must contact SSA. This is an incorrect statement. An individual contacts SSA to request a continuation of their SSI benefits during an appeal. If SSA approves the continuation of benefits, the Medicaid is automatically issued.

[MS 0715](#), Death Match, is revised to remove the statement in section A.5 that said “the worker receives a spot check notifying the worker that the case name must be changed” as this is an incorrect statement. The head of household cannot be changed in an IM case. If the head of household dies the case is discontinued and another application is entered for any members that remain eligible.

## Volume IV

The [Table of Contents](#) is revised to:

Delete:

- MS 1310, Special Process for Aliens;
- MS 1700, Out-of-State-Medicaid Inquiries;
- MS 1710, Out-of-State Request for Termination of Medicaid;
- MS 2880, KCHIP 3/P7 Premium Payment;
- MS 4470, Introduction to Ratable Reduction Budgeting; and
- MS 4478, Introduction to Financial Eligibility Determination.

Add:

- [MS 2330](#), Prison/Public Institutions.

Change the title from:

- [MS 1205](#), “Taking the Application”, to “Taking the Family/AFDC-Related MA Application”;
- [MS 1212](#), “Application Interview” to “Family MA Interview Process”;
- [MS 1720](#), “SSI Recipients Moving into Kentucky”, to “Recipients Moving Into or Out of Kentucky”;
- [MS 2280](#), “DCS Activities MSE” to “CSE Responsibilities”;
- [MS 3530](#), “Child and Spousal Support” to “Family MA Child and Spousal Support”;
- [MS 4374](#), “Child and/or Spousal Support” to “AFDC Related MA Child and Spousal Support”; and
- [MS 4480](#), “Gross Income” to “Gross Income for AFDC-Related MA”.



[MS 1070](#), Categories of Assistance, is revised to better define the categories of assistance under which children can receive Medicaid.

[MS 1205](#), Taking the Application, is revised to:

- Change the title to “Taking the Family/AFDC-Related MA Application”;
- Incorporate policy from Volume IVA that also applies to Family/AFDC-Related MA; and
- Further clarify where an application can be made and where the case is carried.

[MS 1212](#), Application Interview, is revised to:

- Change the title to “Family MA Interview Process”;
- Clarify and elaborate on conducting an interview for applications, reapplications and recertifications; and
- Reformatted to step out the interview process to include actions taken before, during and after the interview.

MS 1310, Special Process for Aliens, is obsolete as the material has been incorporated into other sections in previous OMTL’s and was not deleted from the manual.

[MS 1320](#), Standard of Promptness, is revised to:

- Clarify the time standards by which a case must be processed;
- Define unusual circumstances for which a case may be pended past 30 days;
- Clarify when entering a good cause code is appropriate or inappropriate for cases which pend past 30 days; and
- To clarify that good cause code 1 – Proof of Citizenship is no longer valid as clients have 90 days to provide verification of citizenship. This good cause code will be removed from policy once it is removed from KAMES.

[MS 1460](#), Timely Notice of Decrease/Discontinuance, is revised to:

- List the exceptions to 10-day timely notice;
- Clarify timely notice before and after adverse action; and
- Explain that if the KAMES issued timely notice has an incorrect denial/discontinuance reason, a manual form MA-105, Notice of Eligibility or Ineligibility, must immediately be sent informing the client of the correct denial/discontinuance reason.

[MS 1606](#), Worker Responsibilities/Beneficiary Groups, is revised to:

- Add Model Waiver II and ABI LTC to the excluded beneficiary groups; and

- Delete Personal Care and Home Care waivers from the excluded beneficiary groups.

MS 1700, Out-Of-State Medicaid Inquiries, has been incorporated into [MS 1720](#) and is now obsolete.

MS 1710, Out of State Request for Termination of Medicaid, has been incorporated into [MS 1720](#) and is now obsolete.

[MS 1720](#), SSI Recipients Moving into Kentucky, is revised to:

- Change the title to “Recipients Moving Into or Out of Kentucky”;
- Incorporate MS 1700 and 1710 into MS 1720; and
- Outline procedures regarding individuals who move into KY and have received benefits in another state or individuals who move out of KY and are currently receiving KY Medicaid.

[MS 2035](#), Citizenship and Identity Requirements for MA Programs, is revised to incorporate new policy regarding the 90 days individuals are allowed to receive benefits from their date of application while attempting to obtain the required citizenship verification.

[MS 2036](#), MA Case Processing for Citizenship Verification, is revised to:

- Incorporate new policy, regarding the 90 days individuals are allowed to receive benefits from the date of application while attempting to obtain the required citizenship verification;
- Remove the statement that “workers are no longer required to print and require members to sign form KIP-106, Save” as this form is now obsolete;
- Remove policy regarding the way KAMES pends cases for citizenship verification as this policy no longer applies and cases must not pend for citizenship under any circumstances; and
- Remove policy that explains that KAMES does not pend Medicare recipient cases for citizenship. Medicare recipient cases should never pend for citizenship verification as they have already verified citizenship through the Social Security Administration (SSA).

[MS 2180](#), KenPAC Exempt Recipients, is revised to:

- Add an introductory paragraph;
- Add Model Waiver II, Michelle P and ABI LTC to the list of recipients that are exempt from participating in KenPAC; and
- Delete Personal Care and Home Care waivers from the list of recipient who are exempt from participating in KenPAC.

[MS 2182](#), KenPAC Special Authorization, is revised to change the name of the agency a recipient is to contact when they need to see a new provider prior to the effective

date of the provider change transaction. The new agency is Kentucky Health Choices (KHC) administered by Hewlett Packard.

[MS 2280](#), DCSE Responsibilities is revised to change the title of the section and to update the name to Child Support Enforcement (CSE).

[MS 2300](#), Technically Excluded Individuals, is revised to clarify that a step parent with no common children in the home is technically excluded from receiving Family MA or AFDC related MA if the deprivation is anything other than incapacity.

[MS 2330](#), Prisons/Public Institutions, is created to incorporate policy in Volume IV regarding eligibility for individuals in public institutions.

[MS 2871](#), KCHIP Children, is revised to incorporate information from MS 2880 as this manual section is now obsolete as P7 cases no longer require Premium Payments.

MS 2880, KCHIP 3/P7 Premium Payment, is obsolete as it is incorporated into [MS 2871](#).

[MS 3530](#), Child and Spousal Support, is revised to:

- Change the title to “Family MA Child and Spousal Support”;
- Add instructions on how to verify child support payments collected by the State using KASES;
- Reflect changes made on KAMES. Child Support for IM cases is now entered under the “IM Child Support” unearned income screen; and
- Reformat and break the policy into sections.

[MS 3950](#), Stepparent or Parent of a Minor Parent, is revised to:

- Incorporate policy clarification titled “Adopted Parent Income” issued July 5, 2007;
- Clarify that a minor pregnant woman under the age of 21 is also considered a minor parent; and
- Reword and reformat for clarity.

[MS 4374](#), Child and/or Spousal Support, is revised to:

- Change the title to AFDC Related MA Child and Spousal Support;
- Add instructions on how to verify child support payments collected by the State using KASES;
- Reflect changes made on KAMES. Child Support for IM cases is now entered under the “IM Child Support” unearned income screen; and
- Reformat and break the policy into sections.

MS 4470, Introduction to Ratable Reduction Budgeting, is obsolete as ratable reduction does not apply to AFDC Related MA cases as it is a calculation step used in cases with money payments.

MS 4478, Introduction to Financial Eligibility Determination, is obsolete as it is incorporated into [MS 4480](#).

[MS 4480](#), Gross Income, is revised to:

- Change the title to "Gross Income for AFDC-Related MA";
- Incorporate material from MS 4480 which is now obsolete;
- Reword for clarity.

#### Volume IVA

The [Table of Contents](#) is revised to:

Delete:

- MS 1545, Out-of-State-Medicaid Inquiries;
- MS 1549, Out-of-State Request for Termination of Medicaid;
- MS 1780, Couples in LTC; and
- MS 4755, SSI Discontinuance.

Change the title from:

- [MS 1372](#), "Application Interview" to "Adult MA Interview Process";
- [MS 1373](#), "Taking the Application" to "Taking the Adult MA Application";
- [MS 1510](#), from "Notice of Adverse Action" to "Timely Notice of Decrease/Discontinuance";
- [MS 1547](#), "SSI Recipients Moving into Kentucky" to "Recipients Moving into or out of Kentucky";
- [MS 1570](#), "Citizenship and Identity Requirements for MA Programs" to "Citizenship and Identity Requirements for Adult MA";
- [MS 1575](#), "MA Case Processing for Citizenship Verification" to "Adult MA Case Processing for Citizenship Verification";
- [MS 1600](#), "Public Institutions" to "Prisons/Public Institutions"; and
- [MS 2230](#), Child and/or Spousal Support, to "Adult MA: Child and Spousal Support".

[MS 1372](#), Application Interview, is revised to:

- Change the title to “Adult MA Interview Process”;
- Clarify and elaborate on conducting an interview for applications, reapplications and recertifications;
- Reformatted to step out the interview process to include actions taken before, during and after the interview;
- Add LTC Vendor payment requirements for form PA-16 and form PAFS-18.

[MS 1373](#), Taking the Application, is revised to:

- Change the title to “Taking the Adult MA Application”;
- Further clarify where an application can be made and where the case is carried; and
- Re-organize content for clarity.

[MS 1470](#), Standard of Promptness, is revised to:

- Clarify the time standards by which a case must be processed;
- Define unusual circumstances for which a case may be pended past 30 days;
- Clarify when entering a good cause code is appropriate or inappropriate for cases which pend past 30 days; and
- To clarify that good cause code 1 – Proof of Citizenship is no longer valid as clients have 90 days to provide verification of citizenship. This good cause code will be removed from policy once it is removed from KAMES.

[MS 1510](#), Notice of Adverse Action, is revised to:

- Change the title to “Timely Notice of Decrease/Discontinuance”;
- List the exceptions to 10-day timely notice;
- Clarify timely notice before and after adverse action; and
- Explain that if the KAMES issued timely notice has an incorrect denial/discontinuance reason, a manual form MA-105, Notice of Eligibility or Ineligibility, must immediately be sent informing the client of the correct denial/discontinuance reason.

MS 1545, Out-Of-State Medicaid Inquiries, has been incorporated into [MS 1547](#) and is now obsolete.

[MS 1547](#), SSI Recipients Moving into Kentucky, is revised to:

- Change the title to “Recipients Moving Into or Out of Kentucky”;

- Incorporate MS 1545 and 1549 into [MS 1547](#); and
- Outline procedures regarding individuals who move into KY and have received benefits in another state or individuals who move out of KY and are currently receiving KY Medicaid.

MS 1549, Out-of-State Request for Termination of Medicaid, has been incorporated into [MS 1547](#) and is now obsolete.

[MS 1570](#), Citizenship and Identity Requirements for MA Programs, is revised to:

- Change the title to “Citizenship and Identity Requirements for Adult MA”; and
- Incorporate new policy regarding the 90 days individuals are allowed to receive benefits from their date of application while attempting to obtain the required citizenship verification.

[MS 1575](#), MA Case Processing for Citizenship Verification, is revised to:

- Change the title to “Adult MA Case Processing for Citizenship Verification”;
- Incorporate new policy regarding the 90 days individuals are allowed to receive benefits from their date of application while attempting to obtain the required citizenship verification;
- Remove the statement “workers are no longer required to print and require members to sign form KIP-106, Save” as this form is now obsolete;
- Remove policy regarding the way KAMES pends cases for citizenship verification as this policy no longer applies and cases must not pend for citizenship under any circumstances; and
- Remove policy that explains that KAMES does not pend Medicare recipient cases for citizenship. Medicare recipient cases should never pend for citizenship verification as they have already verified citizenship through the Social Security Administration (SSA).

[MS 1600](#), Public Institutions, is revised to:

- Change the title to “Prisons/Public Institutions”;
- Add that if an individual is in a prison/jail they are not eligible for Medicaid benefits; and
- Reword and reformat for clarity.

MS 1780, Couples in LTC, is obsolete as the material has been incorporated into [MS 3540](#).

[MS 1975](#), Recognition of an Institutionalized Individual’s Homestead Resources, is revised to include the 2011 home equity limit.

[MS 1980](#), Non-Home Real Property, is revised to clarify that Hospice Non-Institutional, Hospice NF, Mental Health/Psychiatric Facility, PRTF and EPSDT are

excluded from the KAMES resource check and do not require Form PA-16, Real Property Verification Request and form PAFS-18, Liquid Asset Verification and Invoice for Payment. Recipients of these types of care are still required to verify resources such as bank accounts, CD's, life insurance policies, etc. However, recipients receiving these types of care are excluded from transfer of resources policy.

[MS 2050](#), Transfer of Resources, is revised to:

- Reword for clarity;
- Delete the look back calendar included in section C; and
- Clarify that Hospice Non-Institutional, Hospice NF, Mental Health/Psychiatric Facility, PRTF and EPSDT are excluded from the KAMES resource check and do not require Form PA-16, Real Property Verification Request and form PAFS-18, Liquid Asset Verification and Invoice for Payment. Recipients of these types of care are still required to verify resources such as bank accounts, CD's, life insurance policies, etc. However, recipients receiving these types of care are excluded from transfer of resources policy.

[MS 2080](#), Consideration of Transferred Resources, is revised to include the 2011 transfer of resource factor.

[MS 2130](#), Resource Assessment, is revised to include the 2011 transfer of resource factor.

[MS 2230](#), Child and/or Spousal Support, is revised to:

- Change the title to "Adult MA: Child and Spousal Support";
- Add instructions on how to verify child support payments collected by the State using KASES;
- Reflect changes made on KAMES. Child Support for IM cases is now entered under the "IM Child Support" unearned income screen;
- Clarify that KAMES excludes one-third of child support payments received for, or by, a blind or disabled child when **determining Medicaid eligibility**. KAMES considers the remainder as unearned income;
- Clarify that KAMES considers child support payments received for, or by, a blind or disabled child as unearned income in its entirety **when determining the patient liability** for vendor payment cases; and
- Reformat and break the policy into sections.

[MS 2730](#), Allowable Spend Down Medical Expenses, is revised to change the mileage rate that is allowed as a deduction for transportation costs incurred by an individual for health care. The cost is only allowed as a deduction when transportation is not available free of costs and the individual has to use his/her own car. The allowable rate changed from 12 cents per mile to 24 cents per mile.

[MS 3300](#), Who is Eligible for LTC Vendor Payment, is revised to:

- Explain that technical and financial eligibility must be met for all programs to be eligible for LTC;
- Break up the sections of LTC eligibility by program categories;
- Reword for clarity; and
- Explain that if an individual leaves a LTC facility and is admitted into the hospital and then goes from the hospital to another facility, the individual is still considered to be meeting the 30-day requirement without it being considered a break in coverage.

[MS 3540](#), LTC Couple, is revised to clarify that couples residing in the same LTC facility and in the same room can be treated as an eligible couple.

[MS 3910](#), Medicaid Works Application, is revised to include the 2011 Substantial Gainful Activity (SGA) income limit for a single individual.

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is revised to include the 2011 Substantial Gainful Activity (SGA) income limit for a single individual.

[MS 4450](#), Resource Limits for Medicare Savings Program, is revised to include the 2011 resource limits.

[MS 4570](#), Specified Low-Income Medicare Beneficiaries (SLMB) Resources, is revised to include the 2011 resource limits.

MS 4755, SSI Discontinuance, is obsolete as it is incorporated into [MS 4770](#).

[MS 4770](#), SSI Discontinuance and System Activity, is revised to:

- Incorporate manual material from MS 4755 which is now obsolete;
- Remove policy which states that individuals who need to request a continuation of their Medicaid benefits must contact SSA. This is an incorrect statement. An individual contacts SSA to request a continuation of their SSI benefits during an appeal. If SSA approves the continuation of benefits, the Medicaid is automatically issued; and
- Clarify and reorganize.

[MS 4820](#), Case Decision, is revised to:

- Correct the name of the Add/Inquiry function on KAMES from PAFS-97 to PA-97;
- To add a statement that if an individual requests a hearing and continuation of benefits during the hearing process, if the Agency's decision is affirmed and the individual received incorrectly, a referral for a claim and to OIG is appropriate; and
- It is further revised to correct some grammatical errors.

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 378  
January 1, 2011

To: All Field Staff

Subject: Various Claims Deletions to Volume X

VOLUME X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

OM Upd. No. 08-03, MS 99779, dated 2/4/08.

OM Upd. No. 07-24, MS 99773, dated 11/12/07.

OM Upd. No. 06-29, MS 99748, dated 12/1/06.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 377  
January 1, 2011

To: All Field Staff

Subject: Policy Manual Updates to Volumes I, III, and IIIA

This OMTL is created to revise several manual sections for clarity and comprehension in Volumes I, III, and IIIA.

Volume I

[MS 0230](#), Limited English Proficiency (LEP), is revised to state the primary language is based on the individual's statement not the individual's appearance or worker's perception.

[MS 0590](#), Federal Benefit Changes, is revised to include the timeframes for completing manual conversions.

[MS 0640](#), Voter Registration, is revised to specify that voter registration must be offered to the head of household.

[MS 0650](#), Voter Registration Procedures, is revised to describe the automated process on KAMES. Form PAFS-706, Voter Registration and Declination, is generated at each application, recertification, and address change.

Volume III

The Table of Contents is revised to remove:

- MS 2846, Work Expense Standard;
- MS 2849, Dependent Care Deduction;
- MS 2855, Time Limited Deduction; and
- MS 2859, \$30 Deduction.

It is also revised to rename:

- [MS 2840](#), Deductions, to Earned Income Deductions;
- [MS 2843](#), General Restrictions, to Earned Income Deduction Restrictions and Good Cause;
- [MS 2857](#), \$30 and 1/3 Deduction, to Time-Limited Deductions; and
- [MS 3650](#), Unemployed Parent (UP) Program, to Unemployed Parent Program.

[MS 2003](#), Extensions of 60-Month Lifetime Limit, is revised to specify only a K-TAP parent can receive an extension to provide care for a household member with a disability.

[MS 2840](#) is renamed Earned Income Deductions and revised to incorporate MS 2846 and MS 2849.

[MS 2843](#) is renamed Earned Income Deduction Restrictions and Good Cause, and is revised to remove obsolete policy.

MS 2846 and MS 2849 are obsolete and the information is incorporated into [MS 2840](#).

MS 2855 and MS 2859 are obsolete and the information is incorporated into [MS 2857](#).

[MS 3650](#), Unemployed Parent (UP) Program, is renamed Unemployed Parent Program and revised to state form PA-1C, Supplement D must be completed for both parents and minor wording changes.

[MS 3860](#), WIN Reimbursement Process, is revised to include information regarding sanctioned WIN individuals and payment processing.

[MS 5010](#), Kinship Care Application Process, is revised to include if a Kinship Care child is active in a K-TAP case, the Kinship Care application date is entered on KAMES as the month after the K-TAP case is discontinued.

[MS 5090](#), Kinship Care Benefit Payments, is revised to clarify that \$49 is used as the child's portion to calculate the amount of Kinship Care owed to the Kinship Care caregiver for every month that K-TAP was also received in the parent's case, except for a month in which a claim is established. This section is further revised to state the Kinship Care application date should be entered on KAMES as the effective date the child is removed from the K-TAP case.

#### Volume IIIA

[MS 4700](#), Conciliation Process, is revised to state form KW-204, Conciliation Notice must be issued within 3 work days after identification of an issue and other minor wording changes.

[MS 5365](#), Fee Payments, is revised to clarify if a fee payment exceeds \$200; more than one payment is issued.

#### Volume VII

[MS 0380](#), Sanction (HRJAS3H1) Screen, is revised to update the sanction reason codes.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 376  
December 1, 2010

To: All Field Staff

Subject: Revised SNAP Policy for Claims, Telephone Interviews, and Contract Wages

VOLUME I

The Numerical Table of Contents is revised to change the title of MS 1000, Categories of Food Benefit Claims, to Categories of Supplemental Nutrition Assistance Program (SNAP) Claims, and the title of MS 1030, How to Calculate a Food Benefit Claim, to How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim.

The following manual sections are revised to incorporate corrections, changes and updates to Supplemental Nutrition Assistance Program (SNAP) claims policy:

[MS 0830](#), Field Staff Responsibilities for Claims, is revised to advise staff that regional claims workers are responsible for entering all Suspected Intentional Program Violation (SIPV) referral dates and codes into the Kentucky Claim Debt (KCD) Management System, in order to document that appropriate action is taken during the claim process.

[MS 0840](#), Claim Management Section Information and Responsibilities, is revised to add that CMS is responsible for adjusting claim corrections on KCD once notified by field staff that corrections are needed.

[MS 0960](#), Collecting Payments on Claims, is revised to add information describing the procedure for accepting/sending out-of-state claims.

[MS 1000](#), Categories of Food Benefit Claims, is revised to change the title to "Categories of Supplemental Nutrition Assistance Program (SNAP) Claims". The order of how categories of claims are listed (placing the section on Intentional Program Violation (IPV) claims before Inadvertent Household Error (IHE) claims) is also changed. In addition, Item B. is further expanded to include that an IPV occurs when any act is committed that violates the Food and Nutrition Act of 2008, federal SNAP regulations, or state law for the purpose of using, presenting, transferring, acquiring, possessing or trafficking Electronic Benefit Transfer (EBT) cards used as part of an automated benefit delivery system.

[MS 1010](#), Procedures for Specific Households, Item B (2) is revised to clarify that the authorized representative is responsible for a claim when he/she traffics benefits or otherwise causes an overpayment.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to clarify that trafficking claims are IPV only, and that this type of claim is to remain pending on KCD until completion of the form FS-80, Supplement A, Voluntary Waiver of Administrative Disqualification Hearing, Administrative Disqualification Hearing (ADH), or court action. This section is also revised to add that administrative trafficking claim amounts that have been

determined through review of the EBT account on the JP Morgan website are to be entered into KCD using code "14".

[MS 1030](#), How to Calculate a Food Benefit Claim, is revised to change the title to "How to Calculate a Supplemental Nutrition Assistance Program (SNAP) Claim". The section is revised to clarify that when a claim is investigated and established, all errors found during the case review are to be corrected so that the basis of issuance is correct.

[MS 1050](#), How to Process an Intentional Program Violation Claim, is revised to clarify that when a prior IPV was established by signing a form FS-80 Supplement A, Administrative Disqualification Hearing, a waiver shall not be offered and only form FS-80 Notice of Suspected Intentional Program Violation is sent.

[MS 1070](#), Administrative Disqualifications Hearings, is revised to add a reminder to the claims worker to always update the "W" screen on KCD to reflect the dates that the form FS-80, Notice of Suspected Intentional Program Violation and FS-80, Supplement A are sent and when the ADH hearing has been requested, scheduled, affirmed, or reversed. In addition, this section is revised to clarify that if a prior IPV was established by signing form FS-80 Supplement A, a waiver is not offered.

## Volume II

[MS 5220](#), Countable Income, is revised to clarify that payments received from Child Care Assistance programs are treated as self employment income. It is further revised to add the document direct report number for Child Care Assistance payments.

[MS 5330](#), Budgeting – Nonfarm Income, is revised to add Child Care Assistance program payments as an example of income that is to be entered as yearly self-employment.

[MS 5650](#), Budgeting Income, is revised to clarify tip income. It is further revised to clarify not all school employees are paid contract wages. It is also revised to add examples of budgeting income for non school employees who are paid contract wages and an example of tip income.

[MS 6330](#), Criteria for Out-Of-Office Interview, is revised to state workers MUST conduct telephone interviews for SNAP cases when the client states that a face-to-face interview would create a hardship for the household. This policy applies to SNAP cases ONLY. It is also revised to remove the documentation requirement to explain the reason for a waiver of the face-to-face interview. It is further revised to include a statement that a waiver of the face-to-face interview does not exempt the household from verification requirements, and includes a reference to [MS 7050](#) for acceptable sources of verification.

Additionally, all the manual sections listed above are revised to change the reference from "benefits" to "SNAP (the Supplemental Nutrition Assistance Program)".

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 375  
November 1, 2010

To: All Field Staff

Subject: Third-Party Payments for LTC Recipients

Volume IVA

The [Table of Contents](#) is revised to change the name of [MS 2310](#) to Long Term Care Insurance.

[MS 2310](#), Nursing Facility Insurance, is revised to change the title to Long Term Care Insurance. It is further revised to make changes in wording and to state long term care (LTC) insurance payments paid directly to the individual are counted as unearned income, but not used when determining the community spouse and/or family support allowance. It is further revised to add the system entry procedures for entering LTC insurance payments on KAMES.

[MS 3460](#), Countable Income for Patient Liability Determination, is revised to state LTC insurance payments paid directly to the individual are counted as unearned income.

[MS 3530](#), LTC Individual, is revised to remove policy stating to count third-party payments paid directly to the facility as unearned income, as KAMES will no longer consider these payments when determining income available for patient liability.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 374  
November 1, 2010

To: All Field Staff

Subject: Various Changes to Volumes I, III, IIIA, and VII

Volume I

The [Table of Contents](#) is revised to correct the name of [MS 0110](#), Report of Nonreceipt of Benefits Issued by Check.

[MS 0110](#), Report of Nonreceipt of Benefits Issued by Check, is revised to state that duplicate checks have "Duplicate Check" stamped in red in the middle of the check.

[MS 0170](#), Subpoenaed Information, is revised to state that information is released to a grand jury only if the investigation involves alleged fraud in benefit programs administered by the Cabinet.

Volume III

The [Table of Contents](#) is revised to change the name of [MS 2260](#), Married Dependent Children, to Married Minor Teen and to delete MS 2872, Prospective Budgeting.

[MS 2003](#), Extension of 60-Month Lifetime Limit, is revised to remove the requirement to enter information related to the domestic violence service plan on the TAA.

[MS 2007](#), KWP Full Family Sanction, is revised to clarify a Full Family Sanction is applied when the individual has received K-TAP for 6 or more months in his/her lifetime and been sanctioned for 3 months after 8/1/05. Information was included to state that STEP will not allow a sanction to be entered for a "W" case. References to food benefits have been changed to SNAP.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to include the Transitional Assistance Agreement (TAA) is to be reviewed and signed at each application and recertification. This section is also revised to state voter registration is completed only for the applicant/specified relative. This section is further revised to state monthly benefits issued via EBT can be accessed from the EBT account on the first day of the month whether issued at first or second issuance.

[MS 2135](#), Employment Assessment, is revised to remove information regarding updating activities on the TAA when an individual becomes employed.

[MS 2215](#), Technically Excluded Individuals, is revised to include a nonresponsible specified relative, not included in the K-TAP case, is coded T-64 and if the individual has a spouse, the spouse is coded T-65. Additional codes for individuals are included as well.

[MS 2260](#), Married Dependent Children, is renamed Married Minor Teen, and revised to state if a married minor teen lives with a parent or a nonresponsible relative without his/her spouse, the married minor teen is considered a child. If the married minor teen lives with his/her spouse and a parent or nonresponsible relative, the married minor teen is considered an adult.

[MS 2328](#), Relationship, is revised to clarify that a nonresponsible specified relative should be coded T64 and, if applicable, T65 if he/she does not choose to be included in the K-TAP case. It also states if the nonresponsible relative wishes to be included in the case, he/she must meet technical and financial eligibility requirements and is coded M06.

[MS 2367](#), Verification of Voluntary Absence, is revised to clarify absence of the parent is not required to be verified by system inquiry; however, this is an acceptable verification source.

MS 2872, Prospective Budgeting, is obsolete as it was incorporated into [MS 2800](#) effective 10/1/10.

### Volume IIIA

The [Table of Contents](#) is revised to change name of [MS 4652](#), PA-33 Process, to KWP Participation Monitoring and Tracking Process.

[MS 4005](#), KWP Participation Requirements, is revised to remove that activities must be listed on the TAA.

[MS 4130](#), Resource Directory, is revised to include a statement that Components with an End Date prior to 8/1/2010 will not be displayed. This section is further revised to change the language that an activity with no component must be on the TAA to indicate the activity must assist the participant in achieving their work goal.

[MS 4210](#), Vocational Educational Training, is revised to explain a system change implemented to how JSE components are entered. New questions have been added to the component screen to help identify the purpose for the JSE component being entered.

[MS 4215](#), Short-term Training, is revised to indicate if new training classes are questionable, the class curriculum can be sent to FSSB for review. This section is also revised to state training must be in accordance with the KWP individual's job goal, and removed the requirement that the training must be listed on the TAA. This section is further revised to include that the requirement to monitor and track attendance using form PA-33, Verification of Kentucky Works Participation or other participation verification should be explained to the provider.

[MS 4217](#), Coding Vocational Educational Training, is revised to explain a system change implemented to how JSE components are entered. New questions have been added to the component screen to assist in identifying the purpose for the JSE component being entered.

[MS 4350](#), Non-core and Allowed Activities, is revised to remove that an activity must be listed on the TAA in order for an individual to be sanctioned.



[MS 4410](#), Staff Roles and Responsibilities, is revised to indicate the TAA is completed at application and recertification and to remove the TAA must be updated at case change.

[MS 4515](#), Addressing Barriers to KWP Participation, is revised to state the TAA consists of an employment goal and any special limitations and that the TAA is updated at application and recertification.

[MS 4520](#), K-TAP Transitional Assistance Agreement, is revised to simplify the steps in creating and revising the TAA. This manual section is further revised to include static language to be entered on the TAA for the individual's steps and supportive services provided by the Cabinet for Health and Family Services.

[MS 4652](#), PA-33 Process, is renamed KWP Participation Monitoring and Tracking Process and to clarify that participation can be verified with written documents other than form PA-33, and that form PA-33 must be received in order to issue transportation payments.

[MS 4750](#), Applying the KWP Sanction, is revised to clarify the 3 cumulative months of sanction must be received after 8/1/05 in order for a case to be considered Full Family Sanction.

[MS 5270](#), Approval for CCAP, is revised to remove the reference to form DCC-87, Change Report for Child Care Assistance, as the form is obsolete. Changes can be reported either by e-mail or form PAFS-628, Exchange of Information.

## Volume VII

[MS 0260](#), Component Activity (HRJAS3D2) Screen, is revised to include questions and fields for the JSE component to indicate whether the month is considered an allowable month, countable participation month, or for reporting purposes only. All of the additions are bolded.

[MS 0300](#), STEP Payments (HRJAS3E2) Screen, is revised to include if there is an active component, the component must be tracked prior to issuing any retroactive transportation payments from the STEP Payments Screen.

[MS 0360](#), Monthly Tracking (HRJAS3G1) Screen, is revised to clarify participation can be verified with written documents other than form PA-33, and that form PA-33 must be received in order to issue transportation payments.

[MS 0580](#), Component List (HRJAS3KJ) Screen, is revised to show the additions to the inquiry screen for JSE component that indicate whether a month is considered as an allowable month, countable participation month, or for reporting purposes only. All of the additions are bolded.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 373  
October 1, 2010

To: All Field Staff

Subject: Various Changes to Volumes I, III, IIIA and VII

Volume I

[MS 0115](#), Replacement of a Check that is Cashed, is revised to clarify that replacement checks are no longer mailed to the local office when a cashed check is sent to view the endorsement. Once the individual completes form PAFS-60, Affidavit, attesting that the signature is not his/hers, the decision regarding replacement of the check is made by Treasury.

Volume III

The [Table of Contents](#) is revised to add [MS 2190](#), Notification Requirements, [MS 2810](#), Determination of Income Eligibility, and [MS 2820](#), Determination of Benefit Amount. In addition, the titles of the following manual sections are revised: [MS 2800](#) to Computation of Countable Income, [MS 2185](#) to K-TAP and Kinship Care Underpayments, and [MS 2195](#) to Return of TANF Benefits. It is further revised to delete MS 2802, Standard of Need, and MS 2808, Introduction to Payment Determination, as they are obsolete.

[MS 2005](#), TANF Benefit Tracking, is revised to clarify that any month for which an individual voluntarily returns his/her benefits is not considered toward the 60-month lifetime limit.

[MS 2160](#), Case Action on Applications, is revised to correct the link in item F and to add information from Volume VI, MS 4140, Incomplete Application.

[MS 2175](#), Processing Recertification's and Case Changes, is revised to include information and examples concerning the adverse action period and cutoff. This section is further revised to change references to food benefits to SNAP.

[MS 2180](#), Supplemental Payments, is revised to correct the link in the first paragraph to [MS 2800](#) and to add information about the need for supervisory sign off for supplemental payments.

[MS 2185](#), Determination of MA Eligibility, is renamed K-TAP and Kinship Care Underpayments, and revised to remove the MA information and add information formerly found in Volume I, MS 1863.

[MS 2190](#), Notification Requirements, is created to relocate information formerly found in [MS 2195](#) and add information concerning the Request for Information notice.

[MS 2195](#), Notification Requirements, is renamed Return of TANF Benefits and contains policy and procedures used when an individual voluntarily returns TANF benefits.

[MS 2198](#), Direct Deposit, is revised to clarify that there are two ways to receive K-TAP and Kinship Care benefits and to add information concerning the start up of direct deposit.

[MS 2610](#), Child Support and/or Spousal Support, is revised to include the new unearned income type, "IM CHLD SUPP" and to include information regarding how to consider arrearages received by the family.

[MS 2730](#), Contract Employment, is revised to add information found in Volume VI, MS 3370.

[MS 2800](#), Introduction to Ratable Reduction Budgeting, is renamed Computation of Countable Income. [MS 2800](#) is revised to incorporate information formerly found in MS 2872, Prospective Budgeting, and the information about ratable reduction is moved to [MS 2820](#), Determination of Benefit Amount.

MS 2802, Standard of Need, is obsolete, and the information is moved to [MS 2810](#).

MS 2808, Introduction to Payment Determination, is obsolete, and the information is moved to [MS 2820](#), Determination of Benefit Amount.

[MS 2810](#), Determination of Income Eligibility, is created to incorporate the information formerly found in MS 2802 and MS 2825, Gross Income.

[MS 2820](#), Determination of Benefit Amount, is created to incorporate information formerly found in [MS 2800](#) and MS 2808.

[MS 3000](#), Requirements for Child Support Action, is revised to clarify that a non-responsible relative is required to cooperate with Child Support Enforcement (CSE) and law enforcement officials in all phases of support activity.

[MS 5090](#), Kinship Care Benefit Payments, is revised to add an example of how to determine the Kinship Care amount when the KC caretaker received K-TAP for 3 children and only 2 children were approved for KC.

### Volume IIIA

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to include a single caretaker relative (coded M06) with a child under 6 years old is required to complete 20 hours per week in KWP. This manual section is also revised to include if a KWP individual does not meet their KWP permitted hours the worker does not enter the "Deem Core" hours as this causes a federal file error. This manual section is further revised to change food benefits to SNAP benefits and clarify that participation verification is not limited to form PA-33, Verification of Kentucky Works Participation.

[MS 4250](#), Employment, is revised to clarify Work Study and Ready-to-Work hours are averaged and converted and to include the "Report/Verify Timely" question should be answered "N" for these sources of income.

[MS 4650](#), Monitoring and Tracking Participation, is revised to correct the report name of KWP Case Status Report-Denominator-P88, HRJASPX6, to clarify that participation verification is not limited to form PA-33, Verification of Kentucky Works Participation, and to include a statement that deemed hours should not be entered if the KWP permitted hours are not met for WEP?COM activities.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to include an example of calculating hours used for an excused absence or holiday when a KWP individual's scheduled hours vary daily. This section also clarifies an absence can be considered excused if the provider annotates on form PA-33, Verification of Kentucky Works Participation, or other verification. The section is further revised to state when determining the weekly average hours of participation, the hours attended is divided by 4.3 and the result is rounded up to the nearest whole number.

[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases, is revised to state that a sanctioned individual cannot receive supportive services. It is also revised to clarify an individual must participate the required number of hours within 15 calendar days to cure the KWP sanction and to explain how to determine these hours.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to state that individuals with a full family sanction must participate for 15 days prior to approval each time the individual reapplies. Revisions also clarify the individual must complete the required number of hours within the 15 days and explain how to determine the required hours.

## Volume VII

The [Table of Contents](#) is revised to rename [MS 0860](#), System Generated PA-33/KW133/WIN-1, to System Generated PA-33/WIN-1 and to rename [MS 0880](#) System Generated PA-33/KW133/WIN-1 Inquiry, to System Generated PA-33/WIN-1 Inquiry.

The following System Tracking for Employability Programs (STEP) manual sections have been revised to reflect system changes to remove outdated information from the STEP system, such as WTW information and unavailable options.

[MS 0200](#), STEP Main Menu (HRJAS3L) Screen

[MS 0220](#), General Information (HRJAS3A1) Screen

[MS 0260](#), Component Activity (HRJAS3D2) Screen

[MS 0800](#), Case Management Reports (HRJAS3R1) Screen

[MS 0860](#), System Generated PA-33/WIN1 (HRJAS3R6) Screen

[MS 0880](#), System Generated PA-33/WIN1 (HRJAS3R7) Inquiry Screen

[MS 1000](#), Resource Directory Submenu (HRJAS3N1) Screen

[MS 1020](#), Component List (HRJAS3WS) Screen, is revised to only display Component IDs with an End Date after 8/1/2010.

[MS 1220](#), Contractor Component Activity (HRJAS3I2) Screen

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 372  
October 1, 2010

To: All Field Staff

Subject: Volume I Quality Control Revisions

Volume I

The [Table of Contents](#) is revised to change the title of [MS 0870](#), General Procedures for All Suspected Claims, to General Procedures for All Claims.

The following manual sections are revised to incorporate corrections, changes and updates to policy:

[MS 0360](#), The Quality Control System, is revised to change the reference food benefits to the Supplemental Nutrition Assistance Program (SNAP).

[MS 0380](#), Local Action on QC Findings, is revised to change the reference food benefits to the Supplemental Nutrition Assistance Program (SNAP). It is also revised to remove the reference to a hardcopy PAFS 343 being sent as all PAFS 343s are now issued electronically.

[MS 0390](#), Refusal to Cooperate with QC, is revised to change the reference food benefits to the Supplemental Nutrition Assistance Program (SNAP). It is also revised to add policy and procedures on the local office assisting QC in contacting the household when QC is unsuccessful. Additionally, it is revised to add policy and procedures on discontinuing the case for reason 'unable to locate' when the local office is unable to reach the household on QC's behalf.

[MS 0870](#), General Procedures for All Suspected Claims, is renamed General Procedures for All Claims.

[MS 1030](#), How to Calculate a Supplemental Nutrition Assistance Program Claim, is revised to add procedures for establishing a claim when all household members were not active for the entire claim period.

Volume X

OM Policy Update No. 04-18, MS 99672, Utility Allowance Revisions, is obsolete as it has previously been incorporated.

OM Policy Update No. 05-04, MS 99688, Changes in Processing of Restorations, Replacements and Supplementals, is obsolete as it has previously been incorporated.

OM Policy Update No. 05-12, MS 99696, Verification of Zero Income, is obsolete as it has previously been incorporated.

OM Policy Update No. 07-12, MS 99769, PAFS process on On-Line Function of KAMES, is obsolete as it has previously been incorporated.

OM Policy Update No. 07-20, MS 99772, Food Stamp Changes, is obsolete as it has previously been incorporated.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 371  
October 1, 2010

To: All Field Staff

Subject: Cost of Living Adjustments (COLA) and Changes for Clarity to  
Volumes II and IIA

VOLUME II

The [Table of Contents](#) is revised to change the reference to Food Stamp Program Definitions to SNAP Definitions. It is also revised to remove MS 2760, Claims, MS 3130, Verification, and MS 3150, Recertifications by SSA, as they are obsolete. It is further revised to add [MS 2790](#), Regional Responsibilities for DAAs and GLAs.

[MS 2010](#), Relatives as a Separate Household, is revised for clarity to move an example from item B to item A. It is further revised to change references from food benefits to SNAP benefits.

[MS 2510](#), Duplicate Participation of Residents of Shelters for Victims of Abuse, is revised to remove references to "him/her" as federal regulation state policy only applies to women who are victims of abuse.

[MS 2660](#), Center Responsibilities, is revised to move information on the quarterly review findings to the newly-created [MS 2790](#), Regional Responsibilities for DAAs and GLAs.

[MS 2730](#), Group Living Facility Responsibilities, is revised to remove information on the quarterly review findings as this does not apply to GLAs.

MS 2760, Claims, is obsolete as this information has been moved to [MS 2790](#).

[MS 2790](#), Regional Responsibilities for DAAs and GLAs, is created to provide policy regarding the Region's responsibilities with regards to quarterly reporting. It is also created to add guidelines at the request of Regional staff on how to conduct the quarterly visit to the DAAs.

[MS 3100](#), SNAP Applications by the Social Security Administration, and [MS 3120](#), Eligibility Determination for SNAP Applications from SSA, are revised to correct references from SN-101 to SNS-101. [MS 3120](#) is also revised to change the reference from KIM-100 to FS-1 and to add procedures for recertifications that was previously in MS 3150 as MS 3150 is obsolete. It is further revised to change references from food benefits to SNAP benefits.

MS 3130, Verification, is removed as it is obsolete.

MS 3150, Recertifications by SSA, is removed as it is obsolete.

[MS 3155](#), Prelease SSI/SNAP Applications, is revised to change the reference from the KIM-100 to the FS-1 and to remove the reference to MS 3130 as it is obsolete.

[MS 5050](#), Countable Resources, is revised to remove vacation funds that are not withdrawn as countable resources as these are not considered liquid.

[MS 5220](#), Countable Income, is revised to remove the reference to Youthbuild income. It is also revised to add an example of when a payee receives money for a non household member but does not keep any of it.

[MS 5400](#), Deductions-General, is revised as the result of the annual COLA to update the maximum shelter to \$458 and to update the standard deduction for household sizes of 1-3 to \$142.

[MS 5650](#), Budgeting Income, is revised to add transportation, and other miscellaneous personal expenses other than room and board to the list of allowable expenses from Ready to Work Income as these were erroneously removed.

[MS 6210](#), Scheduling Recertifications, is revised to add procedures for scheduling an appointment for an expedited approval with a 2-month certification period that was formerly in Volume VI, MS 1209.

[MS 6320](#), Scope of the Interview, is revised to remove the reference to the FS-8, Food Benefits Reporting Requirements Handout, as this form is obsolete and the reporting requirements are in the approval, change and no change notices. It is also revised to change the title of form FS-120 from "Information Needed to Process a Food Stamp Application" to "Information Needed to Process a Supplemental Nutrition Assistance Program Application" and to change references from food benefits to SNAP benefits.

[MS 6430](#), Expedited Services Criteria, is revised to clarify that verification of drug treatment program participation or completion is not required for expedited services.

[MS 7050](#), Sources of Verification, is revised as the result of a Food and Nutrition Services (FNS) clarification to clarify policy on situations where an individual is working under another name and/or social security number.

## VOLUME IIA

The [Table of Contents](#) is revised to change the title from, Food Stamp Program Work Requirements, to Supplemental Nutrition Assistance Program (SNAP) Work Requirements.

[MS 1550](#), Work Registration Procedures, and [MS 2500](#), Procedures for Non-Exempt ABAWD, are revised to change the title of form FSET-101, Food Stamp Employment and Training Fact Sheet, to SNAP Employment and Training Fact Sheet.

[MS 2250](#), Components, is revised to change the title of form FSET-104, Food Stamp Program Employment and Training Referral to SNAP Employment and Training Referral.

## VOLUME X

OM Policy Update No. 03-11, MS 99614, Benefits for Children of Women Vietnam Veterans, is obsolete as it has previously been incorporated.

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 370  
August 1, 2010

To: All Field Staff

Subject: Iraqi and Afghani Special Immigrants

Volume III

[MS 2300](#), Qualified Alien Criteria, is revised to state that Section 8120 of the Department of Defense Appropriations Act (DDAA) of 2010 provides that Iraqi and Afghan Special Immigrants who were already in the United States with special immigration status on the effective date of the law, December 19, 2009 and those admitted on or after that date are eligible for K-TAP under the same extent and for the same period of time as refugees pursuant to Section 207 of the Immigrations and Nationality Act. The Iraqi and Afghan aliens granted special immigrant status are no longer subject to the five-year ban.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 369  
August 1, 2010

To: All Field Staff

Subject: Various Claims Revisions to Volume I, MS 1020

VOLUME I

The following manual section is revised to incorporate corrections, changes, and updates to policy:

[MS 1020](#), Trafficking and Retailer Fraud, is revised to further define trafficking, provide examples of what constitutes SNAP trafficking and to describe what steps need to be taken by the worker. The revision also clarifies that use of an EBT card to pay on a credit account is the basis of an Intentional Program Violation and when to enter disqualifications on KAMES. Procedures are clarified for alleged trafficking of SNAP benefits over and under \$500. Procedures are also revised to describe local office responsibilities to review alleged trafficking transactions (on the EBT Electronic Benefit Transfer website) when received through Hotline reports, from Nutrition Assistance Branch (NAB) or third parties as well as FNS listings of unusual EBT recipient transactions.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 368  
August 1, 2010

To: All Field Staff

Subject: Volume II Revised

Volume II

Volume II has been revised in its entirety for clarification, revisions to policy, and clarity. Each manual section has been revised to do the following:

- Change references from Food Stamp Program to Supplemental Nutrition Assistance Program (SNAP);
- Change references from food stamps to food benefits;
- Revise Department, Agency, and contact names;
- Incorporate on-line manual clarifications;
- Incorporate Field Staff Memorandums (FSMs);
- Incorporate applicable material from Volume VI and X; and
- Add examples at the request of field staff.

The [Table of Contents](#) is revised as follows:

MS 2008 is removed as it is obsolete.

MS 2050 is removed as it is obsolete.

MS 2410 is removed as it is obsolete.

MS 2465 is removed as it is obsolete.

MS 2470 is removed as it is obsolete.

MS 2520 is removed as it is obsolete.

MS 2740 is removed as it is obsolete.

MS 2750 is removed as it is obsolete.

MS 2770 is removed as it is obsolete.

[MS 2800](#) title is revised to Migrant and Seasonal Farm worker.

[MS 2940](#) title is revised to Determining Illegal Alien Status.

[MS 3070](#) title is revised to Verification of Sponsored Alien Information.

[MS 3100](#) title is revised to SNAP Applications by the Social Security Administration.

[MS 3110](#) title is revised to Expedited Services/SSA SNAP Applications.

[MS 3120](#) title is revised to Eligibility Determinations for SNAP Applications from SSA.

[MS 3150](#) title is revised to Recertifications by SSA.

[MS 3160](#) title is revised to Categorical Eligibility.

[MS 3170](#) is removed as it is obsolete.

[MS 3250](#) title is revised to Change Report Requirements for SAFE.

[MS 3275](#) title is revised to Monthly SDX Match for SAFE.

[MS 3600](#) title is revised to Enumeration Requirements for the SNAP.

[MS 3610](#) title is revised to Failure to Comply with Enumeration Requirements.  
MS 5045 is removed as it is obsolete.  
[MS 5680](#) title is revised to Determining Household Size and Composition.  
MS 6101 is removed as it is obsolete.  
[MS 6106](#) Mass Change, is created.  
MS 6440 is removed as it is obsolete.  
[MS 6475](#) Reinstatement, is created.  
MS 6510 is removed as it is obsolete.  
[MS 6732](#) Head-of-Household Change, is created.  
MS 6792 is removed as it is obsolete.  
MS 6795 is removed as it is obsolete.  
MS 7080 is removed as it is obsolete.  
[MS 8210](#) title is revised to Authorizing Replacements due to a Move from Out-of-State.

In addition to the revisions listed above, the following manual sections have been revised as follows:

[MS 2000](#), Definitions, is revised to remove definitions for vehicles as vehicles are no longer considered.

[MS 2006](#), Volunteers, is revised to add policy regarding the use of strikers as authorized representatives.

MS 2008, Use of Strikers as Authorized Reps, is obsolete as it is incorporated into [MS 2006](#).

[MS 2010](#), Relatives as a Separate Household, is revised to clarify policy regarding stepparents and biological ties.

[MS 2040](#), Irregular Household Members, is revised to state if a joint custody household is receiving child support from a non-household member, that child support is considered countable income. It is also revised to incorporate policy from MS 2050 regarding spouses are irregular household members.

MS 2050, Spouses as Irregular Household Members, is obsolete as it is incorporated into [MS 2040](#).

[MS 2300](#), Students, is revised to instruct to use the gross amount of self-employment income when determining whether or not an individual meets the definition of an eligible student. It is also revised to state that the receipt of WIN does not make a student an eligible student as WIN payments are not considered TANF payments.

[MS 2330](#), Exceptions to Student Status, is revised to add an example of an on-the-job training program that would qualify as an exemption to student status.

[MS 2350](#), Criminals, is revised to clarify that a disqualification is imposed if notified by an investigator that they have verification of a drug felony conviction and that pretrial diversion is not considered as a "conviction" of a felony . It is also revised to clarify that a restoration of civil rights does not cure a drug felony conviction, nor does being disabled and to clarify that there are no restrictions of what type of assessment is required nor are there any restrictions on who must verify the assessment. It is further revised to clarify that the treatment must occur after the most recent conviction.

It is also revised to state that a disqualification applies if a person is fleeing to avoid prosecution, custody, or confinement for a crime that would be classified as a felony, even if a warrant is not being acted on.

[MS 2370](#), Noncompliance with Other Programs, is revised to clarify that a 310 disqualification does not apply when a disqualification is entered in an MA only case for not complying with MSE.

[MS 2400](#), Strikers- Introduction, is revised to incorporate policy from MS 2410 on how to determine a striker's eligibility.

MS 2410, Strikers-Eligibility Determination, is obsolete as it is incorporated into [MS 2400](#).

[MS 2460](#), Temporary Shelters for the Homeless, is revised to clarify that residents of homeless shelters are eligible for a shelter deduction if they are billed for rent. It is also revised to incorporate policy from MS 2465 and MS 2470 regarding representatives for homeless shelters and information on how homeless shelters may become certified to accept food benefits.

MS 2465, Representatives for Temporary Shelter Participants, and MS 2470, Shelters Serving Prepared Meals, are obsolete as they are incorporated into [MS 2460](#).

[MS 2510](#), Duplicate Participation of Residents of Shelters for Victims of Abuse, is revised to clarify that benefits are prorated from the date of application. It is also revised to incorporate policy from MS 2520 on certifying shelter residents.

MS 2520, Certifying Shelter Residents, is obsolete as it is incorporated into [MS 2510](#).

[MS 2610](#), Eligibility Of Treatment Center Participants, is revised to state that representatives for treatment centers must have verification that they are an employee of the center and that they are designated to apply on behalf of the residents. It also states that if the representative is the person making the application, they must also sign the application.

[MS 2660](#), Center Responsibilities, is revised to state that monthly reports should be submitted to the CHFS DCBS DFS Food Benefits Policy inbox by the 15<sup>th</sup> of each month and if a center fails to provide a listing, contact the Nutrition Assistance Branch (NAB).

[MS 2700](#), Group Living-Introduction, is revised to clarify that all Supports for Community Living are licensed as public institutions and are considered as group living arrangements. It is further revised to include policy on how benefits are to be used on the recipient's behalf.

[MS 2720](#), Certification Procedures, is revised to clarify that personal needs allowances are not an allowable medical deduction.

[MS 2730](#), Group Living Facility Responsibilities, is revised to state that monthly reports should be submitted to the CHFS DCBS DFS Food Benefits Policy inbox by the 15<sup>th</sup> of each month and if a center fails to provide a listing, contact the Nutrition Assistance Branch (NAB). It is also revised to incorporate policy from MS 2740 and MS 2750 which state a GLA may be penalized if it is discovered that they are misusing clients' benefits.

MS 2740, Liability, and MS 2750, Penalties and Disqualifications, are obsolete as they are incorporated into MS 2730.

MS 2770 is obsolete as it is incorporated into [MS 2700](#).

[MS 2800](#), General, is retitled, Migrant and Seasonal Farm worker-General.

[MS 2900](#), Aliens, is revised to clarify that the expiration date on an alien registration card only applies to the date the card expires and does not mean that the non-citizen status has expired. It is also revised to add policy regarding the Child Citizenship Act of 2000 and to change the reference from Immigration and Naturalization Service (INS) to US Citizenship and Immigration Services (USCIS).

[MS 2910](#), Verification of Alien Status, and MS 2915, Verification- SAVE are revised to change the reference from Immigration and Naturalization Service (INS) to US Citizenship and Immigration Services (USCIS).

[MS 2920](#), Ineligible Alien/Member Resources and Income, is revised to clarify that in instances where there is an ineligible alien who is also an ineligible student, manually apply the appropriate educational income exclusions and document in comments. Do not enter information indicating the ineligible alien is a student. Enter only countable income for the alien on the income screens.

[MS 2930](#), Ineligible Alien-Deductions, is revised to clarify that you divide the household's allowable shelter and dependent care expenses equally among the household members, including the ineligible alien and any other excluded members.

[MS 2940](#), Determining Illegal Alien Status, has been retitled Determining Ineligible Alien status and to change the reference from BCIS to USCIS.

[MS 3070](#), Verification, is retitled Verification of Sponsored Alien Information.

[MS 3100](#), General, is retitled SNAP Applications by The Social Security Administration, and to change the reference from the FNS-101 to the SN-101.

[MS 3110](#), Expedited Services, is retitled Expedited Services/SSA SNAP Applications.

[MS 3120](#), Eligibility Determination, is retitled Eligibility Determination for SNAP Applications from SSA, and to change the reference from FNS-101 to SN-101.

MS 3130, Verification, is obsolete and incorporated into MS 3120.

[MS 3150](#), Recertifications, is retitled Recertifications by SSA.

[MS 3160](#), General, is retitled Categorical Eligibility. It is further revised to add policy regarding expanding categorical eligibility.

MS 3170, Categorically Eligible Household, is obsolete.

[MS 3175](#), Verification at Application, is revised to state households meeting the definition of expanded categorical eligibility must verify residency.

[MS 3200](#), Simplified Assistance for the Elderly- Overview (SAFE), is revised to remove reference to the rollout of SAFE.

[MS 3230](#), SAFE Application Procedures, is revised to state if an applicant is applying for regular SNAP benefits and it appears that they may be eligible for SAFE, still take their regular SNAP application and advise then to call 1-866-256-3823 to request a SAFE application. It is also revised to add the address for the SAFE inbox.

[MS 3260](#), Change Report Requirements, is retitled Change Report Requirements for SAFE.

[MS 3275](#), Monthly SDX Match, is retitled Monthly SDX Match for SAFE, and reworded for clarity.

[MS 3500](#), Residency, is revised to correct the mailstop for the Nutrition Assistance Branch and to state that residency DOES have to be verified for households who meet the definition of expanded categorical eligibility.

[MS 3600](#), Enumeration Requirements for the Food Benefits Program, is retitled Enumeration Requirements for the SNAP, and to clarify that when a non household member (T individual) is entered with an unknown SSN or DOB, allow the system to assign a pseudo number and leave the DOB blank.

[MS 3610](#), Failure to Comply, is retitled Failure to Comply with Enumeration Requirements and to clarify that if a member's SSN has not been received and changed on KAMES by 165 days after entering the SS-5 date a notice is generated to the worker's DCSR.

[MS 3620](#), SSN Applications, is revised to clarify that if a member's SSN has not been received and changed on KAMES by 165 days after entering the SS-5 date, a notice is generated to the worker's DCSR.

[MS 3800](#), Representative Requirements, is revised to state that KAMES sends an EBT representative (P or B) name to JP Morgan and if the representative is applying ONLY, the information is not sent.

[MS 3810](#), Allowed Representative, is revised to clarify that if an applicant designates an authorized representative (AR) during the application interview and that application is entered on KAMES, the applicant's signature on the application meets the requirement of the AR being designated in writing. It is also revised to state having power of attorney (POA) does not automatically make them an AR unless their POA document gives them this specific authority.

[MS 3830](#), Emergency Representatives, is revised to add a "date" field to the statement.

[MS 3840](#), Representatives for Treatment Center Participants, is revised to clarify that you cannot accept verification signed by the representative in instances where the representative is applying on behalf of the household.

[MS 3860](#), Disqualification of Representative, is revised to state to manually send a notice of eligibility to a household and the representative 30 days prior to the date of the disqualification.

[MS 5000](#), Resource Maximums, is revised to state households where at least one member receives FAD are considered categorically eligible and to add policy regarding expanded categorical eligibility.

[MS 5040](#), Resources-Excluded, is revised to incorporate policy from MS 5045 regarding resources of SSI beneficiaries.

MS 5045, Excluded Resources for K-TAP AND SSI Recipients, is obsolete as it is incorporated into [MS 5040](#).

[MS 5050](#), Countable Resources, is revised to add Equity lines of credit (once accessed), and First Time Homebuyers Credit as types of countable resources.

[MS 5060](#), Resources Which May or May Not Be Counted, is revised to clarify policy on trusts.

[MS 5200](#), Income Eligibility Scale, is revised to remove a link to MS 3175 as it no longer applies.

[MS 5210](#), Excluded Income, is revised to clarify that payments under Youthbuild, of the Housing and Community Act of 1992 are excluded, regardless of age. It is also revised to change the name of the Green Thumb program, to Experience Works and to add Chafee Independent Program payments under Title IV E and State Supplementation Payments (SSP) issued as a reimbursement are considered excluded income. It is further revised to add FEMA funds, Payments under the Uniform Services Former Spouse Protection Act, Census Bureau Income for individuals employed by the Census Bureau and Unemployment benefits paid under the American Reinvestment and Recovery Act (ARRA) are considered excluded income.

[MS 5220](#), Countable Income, is revised to state ARRA funds used to assist employers in paying wages, Foreign Language Proficiency pay for military personnel, Michelle P. Waiver payments, Relative Caregiver Mentor Program payments, Consumer Directed Option (CDO) payments, Kentucky Wilson-Fish payments, Adoption subsidy payments and Voluntary Separation Incentive payments are countable income.

[MS 5315](#), Business Expenses, is revised to clarify that if the mileage rate fluctuates, determine the average rate for the quarters in which the transportation expenses are claimed. It is also revised to state the receipt of LIHEAP does not override the clients' option of how they want to use their shelter expenses.

[MS 5330](#), Budgeting- Nonfarm Income, is revised to add an example of new self-employment budgeting.

[MS 5400](#), Deductions - General, is revised to clarify what is a vendor payment. It is also revised to include caretaker services and mandatory severance tax for the extraction of natural resources as deductible expenses.

[MS 5410](#), Members Eligible for Medical Deduction, is revised to include an example of when a deduction is allowable for a previous household member when a current household member is responsible for the expense.

[MS 5420](#), Medical Deductions - General, is revised to remove the reference to households certified more than 12 months as it is no longer applicable. It is also



revised to remove reference to the Medicare Prescription Drug Discount Card as it is no longer applicable.

[MS 5430](#), Allowable Medical Deductions, is revised to include cancer insurance policy premiums and the cost of building a wheel chair ramp as deductible medical expenses. It is also revised to clarify that spend down expenses must be reviewed to determine if the expense had been previously used as a deduction.

[MS 5440](#), Disallowable Medical Deductions, is revised to include the cost of membership to an insurance company for reduced medical expenses, premium payments for cancer policies that pay the owner on diagnosis of cancer, items purchased with food benefits, items for "special diets", monthly car payments for handicapped accessible vehicles and "Companion Pets" as nondeductible medical expenses.

[MS 5450](#), Dependent Care Deduction, is revised to incorporate information from Volume VI into Volume II.

[MS 5470](#), Allowable Shelter Deductions, is revised to simplify policies and procedures for shelter deductions and shelter verification. Actual utilities must be verified.

[MS 5480](#), Disallowable Shelter Cost, is revised to include volunteer fire department dues, optional home buyer's protection plan and extended home warranties as disallowable shelter cost. It is also revised to clarify disallowable payments for delinquent shelter payments.

[MS 5485](#), Treatment of Homeless Households with Shelter Cost, is revised to simplify policies and procedures for shelter deductions and shelter verification. Actual utilities must be verified.

[MS 5490](#), Heating and Cooling Costs/Standard Utility Allowance, is revised clarify if a recipient residing in public housing does not incur, or anticipate incurring, an excess utility charge then they are not eligible for a deduction. It is also revised to simplify policies and procedures for shelter deductions and shelter verification.

[MS 5500](#), Treatment of Utility Expenses, is revised to include prepaid cell phones as an allowable expense.

[MS 5510](#), Child Support Deduction, is revised to change the reference DCS (the Division of Child Support to CSE (Child Support Enforcement). It is also revised to clarify KAMES spot checks for legally obligated child support paid to someone outside of the household.

[MS 5600](#), Determining Eligibility and Allotment, is revised for clarity.

[MS 5610](#), Month of Application or Recertification, is revised for clarity.

[MS 5650](#), Budgeting Income, is revised to include an example of income that is not representative of ongoing income. It is also revised to include policies and procedures for terminated employment, bonus income and commission income. Additionally, it is revised to clarify policies and procedures on averaging and converting child support income when verification of 3 months of child support income is not available. It is also revised to clarify countable earned educational assistance income (Ready-to-Work).

[MS 5680](#), Determining Household Size, is retitled to Determining Household Size and Composition.

[MS 5800](#), Calculation of Allotment, is revised to correct the maximum shelter deduction amount. It is also revised to remove the reference to approve \$0 benefits for categorically households as this is no longer applicable.

[MS 6000](#), Initial Contact - Responsibilities, is revised to change the reference FSM to SRAA. It is also revised to change the name of the form FS-360 from Facts about Food Benefits to Facts about the Supplemental Nutrition Assistance Program (SNAP).

[MS 6010](#), Household Classification, is revised to change the name Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP).

[MS 6020](#), Caseworker Responsibilities, is revised to change the reference of ID cards to The Electronic Benefits Transfer (EBT) cards. It is also revised to change the reference of TANF benefits to K-TAP benefits.

[MS 6100](#), Filing an Application, is revised to clarify that the authorized representative must be made in writing by the household.

MS 6101, Intent to Apply, is obsolete as this is no longer applicable.

[MS 6103](#), Who Signs the Application, is revised to remove the reference to the SAVE requirement of the declaration of citizenship/alien status as it is no longer applicable.

[MS 6104](#), Joint Processing Procedure, is revised to remove duplicate information within this manual section. It is also revised to remove reference to categorically eligible households being suspended as this is no longer applicable.

[MS 6105](#), Processing of PA Food Stamp Applications, is renamed Processing of PA Food Benefits Applications. It is revised to include the title of the form PAFS-628.

[MS 6106](#), Mass Change, is created to incorporate information from Volume VI into Volume II.

[MS 6107](#), Changes Between PAFS and NAFS Food Benefits Cases, is revised to remove duplicate information within this manual section.

[MS 6108](#), Changes in PAFS Cases, is revised to remove duplicate information within this manual section.

[MS 6200](#), Scheduling Appointments for Application, is revised to remove references to form KIM-77, Intent to Apply, and incorporate form FS-1, Application for SNAP.

[MS 6210](#), Scheduling Recertifications, is revised to remove information on dates the appointment letters are sent to recipients as the letters are sent when the appointment is made and not at a specific time in the month.

[MS 6320](#), Scope of the Interview, is revised to update the names of all forms referenced.

[MS 6340](#), Conduction Out-of-Office Interview, is revised to incorporate that all necessary forms are to be mailed to the client no later than close of business the day following the phone interview.

[MS 6400](#), Overview of Application Time Standards, is revised to remove reference to form KIM-77, Intent to Apply, and incorporate form FS-1, Application for SNAP. It is also revised to incorporate information from Volume VI into Volume II.

[MS 6420](#), Issuance Time Standards at Application, is revised for clarity. It is also revised to remove reference to the PIN being mailed to the client as this is no longer applicable.

[MS 6440](#), Criteria for a Timely Recertification, is obsolete as the information is contained in MS 6420.

[MS 6450](#), Special Issuance Timeframes for Expedited Services, is revised to change the timeframe for processing the application from 7 to 5 days in order to maintain consistency on with timeframes.

[MS 6470](#), Delays in processing, is revised for clarity for procedures on rescheduling an interview.

[MS 6475](#), Reinstatement, is created to incorporate information from Volume VI into Volume II.

[MS 6500](#), Overview of Recertification Time Standards, is revised to incorporate information from Volume VI into Volume II.

[MS 6520](#), Verification Time Standards At Recertification, is revised to clarify that additional time given to the recipient to provide verification cannot exceed the 30 day application timeframe.

[MS 6540](#), Failure to Complete Recertification, is revised for clarity.

[MS 6610](#), Shortening Certification Periods, is revised for clarity.

[MS 6705](#), Simplified Reporting Households, is revised for clarity. It is also revised to incorporate an example of the date a reportable change should be reported by the household.

[MS 6707](#), Simplified Reporting – Acting on Changes, is revised to incorporate policies and procedures on acting on changes reported to the agency that do not have sufficient information to enter the change on KAMES.

[MS 6720](#), Household Change Reporting Form, is revised for clarity.

[MS 6732](#), Head-Of-Household Change, is created to incorporate information from Volume VI into Volume II.

[MS 6740](#), Worker Requirements for Acting On All Other Changes, is revised for clarity.

[MS 6765](#), Acting On Change Of Address, is revised to incorporate information from Volume VI into Volume II.

[MS 6770](#), Providing Supplementals, is revised to incorporate information from Volume VI into Volume II.

[MS 6790](#), Food Benefits Restorations, is revised to incorporate policy from MS 6792, Calculating Food Benefits Restorations, and MS 6795, Processing Food Benefits Restorations.

MS 6792, Calculating Food Benefits Restorations, is obsolete as it is incorporated into [MS 6790](#).

MS 6795, Processing Food Benefit Restorations, is obsolete as it is incorporated into [MS 6790](#)

[MS 7000](#), Required Verification at Application, is revised to simplify policies and procedures for shelter deductions and shelter verification. It is also revised to show examples of when prior verification can be pulled forward from an inactive case. Additionally, it has been revised to remove the requirement for household size and composition verification as client statement is accepted. It is also revised to clarify that the KAMES system checks existing data for each member to see if they have any current disqualifications.

[MS 7010](#), Expedited Verification, is revised to remove the requirement for the worker to complete page 2 of the PAFS-704 if the client's disability is evident to the worker. It is also revised to incorporate policy that the worker must document the evident disability in the KAMES comments. Additionally, it is revised to incorporate policy accept client statement for verification of resources for an expedited application. It is also revised to simplify policies and procedures for shelter deductions and shelter verification.

[MS 7020](#), Verification of Questionable Information, is revised to simplify policies and procedures for shelter deductions and shelter verification. It is also revised to incorporate policy to accept client statement for verification of liquid resources.

[MS 7030](#), Required Verification at Recertification, is revised to simplify policies and procedures for shelter deductions and shelter verification.

[MS 7060](#), Household Cooperation, is revised to incorporate policy from MS 7080.

MS 7080, Household Responsibility for Verification, is obsolete as it has been incorporated into [MS 7060](#).

[MS 7475](#), Food Benefits Documentation, is revised to provide a guideline of items that are to be documented when entering comments for case actions. These guidelines are not all inclusive but outline appropriate documentation requirements that are necessary to capture pertinent case information which sometimes conflicts with system entries.

[MS 8100](#), Issuance Cycle, is revised for clarity.

[MS 8210](#), Authorizing Benefits Due To A Move From Out Of State, is revised to clarify the policy for when someone has moved to Kentucky but was issued benefits in another state.

[MS 8220](#), Authorizing Replacements Due To A Casualty Loss, is revised to add that a household's electricity being turned off for failure to pay does not meet the criteria for casualty loss.

[MS 9000](#), Disaster - General, is revised to change the name of the Nutrition Assistance and Accountability Branch (NAAB) to the Nutrition Assistance Branch (NAB).

## VOLUME VI

The [Table of Contents](#) has been revised to remove the following manual sections as they are obsolete and are incorporated into the appropriate manual section of Volume II:

MS 1209, Scheduling Recertifications at Approval  
MS 1475, FS Replacement Inquiry  
MS 2150, FS-Strikers  
MS 2205, Ineligible Alien Students  
MS 2210, ETP Student  
MS 2215, Ineligible Student, Ongoing Eligible  
MS 3050, FS Prepaid Burial Plan  
MS 3210, State Supplementation Income  
MS 3230, K-TAP Grant for FS Case  
MS 3290, Transitional Housing  
MS 3430, FS Boarders  
MS 3520, FS Shelter/Utility Expenses  
MS 3524, Homeless Allowance  
MS 3540, One Time Medical Expense  
MS 4085, Residents of a Spouse Abuse Center  
MS 4105 PAFS/NAFS Category  
MS 4160, Expedited FS Application with Postponed Verification  
MS 4220, FS Application Time Standards  
MS 4315, Pending FS Untimely Recertification  
MS 4320 FS Change with Pending Recertification  
MS 4470 FS Head-of-Household Change  
MS 4510, System Action on FS Changes with Missing Verification  
MS 5335, Changing Extract Indicator  
MS 5340, FS Extract Codes

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 367  
July 1, 2010

To: All Field Staff

Subject: MA Documentation and Miscellaneous Changes

Volume I

The [Table of Contents](#) is revised to change the title to:

- [MS 0410](#), The Online 117 Case Review Process; it is now titled The DCBS Case Review Web 117 Application; and
- [MS 0420](#), The Online 117 Case Review Reports; it is now titled The DCBS Case Review Web 117 Reports.

[MS 0410](#), The DCBS Case Review Web 117 Application, is revised to:

- Change the title to the manual section to "The DCBS Case Review Web 117 Application";
- Add that access to the 117 Web Application is now available through the Kentucky Enterprise User Provisioning System (KEUPS);
- Explain that Web 117 Application responsibilities within the Division of Family Support (DFS) are divided by program area among the sections. Special requests like deletions are emailed by the Web 117 Regional Administrator to that program's designated Central Office Web 117 administrator; and
- Explain that all other DCBS Case Review system related issues are handled by the KAMES Helpdesk. Users can contact the KAMES Helpdesk at (502) 564-0104 or (866) 231-0003, option 1.

Volume IV

The [Table of Contents](#) is revised to

- Add [MS 1251](#), Family/AFDC Related MA Documentation; and
- Delete MS 4315, Resource Limits as it has been incorporated into [MS 3250](#), Introduction to Resources and is now obsolete.

[MS 1251](#), Family/AFDC Related MA Documentation, is created to provide a guideline of items that are to be documented when entering comments for case actions. These guidelines are not all inclusive but outline appropriate documentation requirements that are necessary to capture pertinent case information which sometimes conflicts with system entries.

[MS 3250](#), Introduction to Resources, is revised to:

- Incorporate manual material from MS 4315, Resource Limits, which is now obsolete; and

- Include additional resource limits for families with more than one household member. The Department for Medicaid Services (DMS) has clarified that for a family size of 1 the limit is \$2000, for a family size of 2 the limit is \$4000 and \$50 is added for each additional member in a family size of 3 or more.

[MS 3540](#), Family Medicaid Contributions, is revised to remove the reference to form PAFS 124, Student Income Verification Form, as the form is now obsolete. Student loans must be verified through the student's educational account or a collateral contact to the institution. It is further revised for clarity.

[MS 3850](#), Excluded Income, is revised to remove the reference to form PAFS 124, Student Income Verification Form, as the form is now obsolete. Student loans must be verified through the student's educational account or a collateral contact to the educational institution.

MS 4315, Resource Limits, is now obsolete. It has been incorporated into [MS 3250](#), Introduction of Resources.

[MS 4365](#), Excluded Income, is revised to remove the reference to form PAFS 124, Student Income Verification Form, as the form is now obsolete. Student loans must be verified through the student's educational account or a collateral contact to the institution.

[MS 4375](#), (E&T) Contributions, is revised to remove the reference to form PAFS 124, Student Income Verification Form, as the form is now obsolete. Student loans must be verified through the student's educational account or a collateral contact to the institution. It is further revised for clarity.

## Volume IVA

The [Table of Contents](#) is revised to add MS 1380, Adult Medicaid Documentation.

[MS 1380](#), Adult Medicaid Documentation, is created to provide a guideline of items that are to be documented when entering comments for Adult MA case actions. These guidelines are not all inclusive but do step out appropriate documentation requirements that are necessary to capture pertinent case information which sometimes conflicts with system entries.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 366  
July 1, 2010

To: All Field Staff

Subject: Various Changes to Volumes I, III and IIIA

Volume I

The [Table of Contents](#) is revised to reflect the new title of [MS 0110](#), Report of Nonreceipt of Benefits Issued by Check.

[MS 0100](#), Returned Checks, is revised to state that the Division of Family Support notifies the local DCBS office of any returned checks.

[MS 0110](#), Request for Duplicate Check, is renamed to Report of Nonreceipt of Benefits Issued by Check and revised to state that all reports of nonreceipt or lost/stolen checks are reported to the Division of Family Support.

[MS 0115](#), Replacement of Check that is Cashed, is revised to state that form PAFS-60, Affidavit, completed for the replacement of checks that have been cashed, is sent to the Division of Family Support. Also, a statement is added that the Kentucky State Treasury controls if and when a check is replaced.

[MS 0450](#), The Hearing Process, is revised to remove the reference to form KWP-205 as it is now obsolete.

Volume III

[MS 2203](#), FAD Eligibility Determination, is revised to state that citizenship must be verified prior to FAD payments being issued.

[MS 2209](#), FAD Payment Adjustments, is revised to clarify the process.

[MS 2328](#), Relationship, is revised to clarify relatives of half-blood can meet the definition of a specified relative.

[MS 2379](#), Incapacity Determinations, is revised to include a statement that it is acceptable to submit patient records with form PA-601T.

[MS 2500](#), Income – General Information, is revised to remove the need for verification of financial aid.

[MS 2610](#), Child Support and/or Spousal Support, is revised to state the monthly total is displayed on the "DCSE Escrow Review" screen.



[MS 3655](#), The Qualifying Parent and Prior Labor Market Attachment, is revised to state work history outside the U.S. does not need to be converted to U.S. currency.

### Volume IIIA

[MS 4005](#), KWP Participation Requirements, is revised to clarify “W” cases can meet the “All Family” participation rate if one parent completes the core hour requirement of 30 hours per week.

[MS 4100](#), KAMES Referral Process, is revised to advise field staff to allow batch cycle to process for caseload changes to be effective on STEP.

[MS 4217](#), Coding Vocational Educational Training, is revised to clarify the second parent can complete the hours in a core or non-core activity when the first parent is participating in an educational activity.

[MS 4220](#), Job Readiness Assistance/Job Search, is revised to add JRA classes can be for two weeks, if it is offered by contractors. Use of form KW-300, KWP Job Search Documentation, is also added as an option for participants to log job search information. References to the GJS code for Job Search are removed and replaced with JRA. Information regarding weekly follow-up for Job Search is changed to monthly.

[MS 4230](#), Community Service, is revised to add a statement not to report hours in excess of the FLSA calculation. Revisions also clarify that “W” cases meet the “All Family” participation rate if one parent completes the core 30-hour requirement.

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to add an example of correct entry when a participant completes more hours than permitted by the FLSA calculation.

[MS 4250](#), Employment, is revised to state usage of the SEE component is mandatory.

[MS 4270](#), Work Experience Program (WEP), is revised to include an example of correct procedures when a participant completes more hours in a WEP activity than permitted by the FLSA calculation. Revisions also clarify “W” cases meet the “All Family” participation rate if one parent completes the core 30-hour requirement.

[MS 4650](#), Monitoring and Tracking Participation, is revised to state average hours an individual participated is rounded up and update the reports which should be reviewed monthly to ensure participation is captured correctly.

[MS 4652](#), PA-33 Process, is revised to state that transportation should be withheld during the conciliation process.

[MS 4750](#), Applying the KWP Sanction, is revised to state that if the benefit amount is zero, the case automatically discontinues and to change references of food benefits to SNAP.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to state if an individual has been participating in a core activity for 15 days or more and for the required KWP hours, this will cure the full family sanction.

[MS 5350](#), Overview of Supportive Services, is revised to state that sanctioned members must cure the sanction before any supportive services are paid and that they can be backdated to the cure begin date. This section is also revised to state that supportive service payments cannot be made during conciliation.

[MS 5388](#), Supportive Services Refunds and Adjustments, is revised to state forms PAFS-61, Notice of Returned Check and Authorization for Disposition, are sent to the Family Self Sufficiency Branch (FSSB).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 365  
June 1, 2010

To: All Field Staff

Subject: Simplified Assistance for the Elderly (SAFE) Program Benefit Changes

Volume II

Effective June, 2010, there will be changes to the benefits received by some SAFE recipients. Federal law requires the SAFE project to be cost neutral. SAFE food benefits cases with one household member are currently receiving more benefits than they would get from the regular food benefits program. In order to reduce the overall amount of benefits issued to these specific households, we have increased the shelter threshold amount from \$131 to \$200 effective with June benefits.

[MS 3200](#), Simplified Assistance for the Elderly- Overview, is revised to correct the name of the Nutrition Assistance and Accountability Branch to Nutrition Assistance Branch. It also revised to change the references for the Food Stamp Program to Supplemental Nutrition Assistance Program (SNAP).

[MS 3220](#), SAFE Allotments, is revised to change the shelter threshold from \$131 to \$200 for one-person SAFE cases. Households with monthly rent/mortgage expenses between \$131 and \$199 will have benefits reduced from \$101 per month to \$73 per month. Households with monthly rent/mortgage expenses of \$200 or more will receive \$101 per month.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 364  
May 1, 2010

To: All Field Staff

Subject: Food Benefits Case Documentation

Volume II

The [Table of Contents](#) is revised to add [MS 7475](#), Food Benefits Case Documentation.

[MS 7475](#), Food Benefits Case Documentation, is created to provide a manual section to address documentation requirements specific to food benefits cases. This manual section states that if a member who is eligible for medical deductions does not report any out-of-pocket medical expenses or chooses not to provide verification of the expenses, the worker documents the case comments to explain why a medical deduction is not considered.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 363  
May 1, 2010

To: All Field Staff

Subject: Various Claims Revisions to Volume I

VOLUME I

The [Table of Contents](#) is revised to add [MS 1015](#), Drug/Alcohol Abuse Treatment Center Claims.

The following manual sections are revised to incorporate corrections, changes, and updates to policy:

[MS 0850](#), Claims Control Files, item D, is revised to add information on using form PAFS-3, Claim Processing Packet.

[MS 0910](#), Referral of Claims to the Office of Inspector General, is revised to add timeframes to send established and non-established food benefit claims to the Office of Inspector General (OIG). Procedure is also clarified once a claim is returned because prosecution is not pursued.

[MS 1000](#), Categories of Food Benefits Claims, item C6, is deleted as selling eligible food items purchased with food benefits is not a program violation.

[MS 1010](#), Procedures for Specific Households, is revised to add Drug/Alcohol Abuse Treatment Center residents.

[MS 1015](#), Drug/Alcohol Abuse Treatment Center Claims, has been added to include procedures for claims against Drug/Alcohol Abuse Treatment centers.

[MS 1020](#), Trafficking and Retailer Fraud, is revised to add that trafficking disqualifications are entered on KAMES. Procedure is revised to show Central Office and OIG review FNS listings of unusual EBT recipient transactions.

[MS 1060](#), Criteria for Pursuing an Intentional Program Violation Claim, item A, is revised to state an IPV can be pursued if a signed application has been lost or misplaced.

[MS 1110](#), Intentional Program Violation Disqualification Penalties, is revised to add the new disqualification reason codes of 478, 479, 480, and 481.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 362  
April 1, 2010

To: All Field Staff

Subject: Changes in Policy, Volumes I, III, and IIIA

Volume I

[MS 0055](#), Kentucky Enterprise User Provisioning System (KEUPS), is revised to include information regarding acceptance of the KEUPS User Agreement and a description of The Security Help Desk and The Network Help Desk.

[MS 0070](#), General Provisions for Assignment of Worker and Caseload Codes, is revised to include information on granting system access and caseload assignments.

[MS 0220](#), Interpreter Services for the Deaf and Hard of Hearing Individuals, is revised to delete the reference to Forms OPB-00-A and OPB-001-B as they are replaced by forms CHFS-OHRM-EEO-2, Your Right to Effective Communication, and CHFS-OHRM-EEO-3, Waiver of Interpreting Services. In addition, form OPB-002, Interpreter Confidentiality Assurance Form is replaced by the form CHFS-OHRM-EEO, Business Associate Agreement, and form OPB-003, Certification of Interpreter Services Provided, is now obsolete. Signed billing statements from individual interpreters are accepted and submitted for payment to the Department of Administration and Finance Management.

[MS 0220](#) is further revised to provide information concerning how to request interpreter services and to update the pay scale for interpreter services.

[MS 0230](#), Limited English Proficiency (LEP), is revised to remove the reference to form OPB-003.

[MS 0240](#), Civil Rights Complaints, is revised to update the civil rights complaint form number to CHFS-OHRM-EEO-1. In addition, the following information is added: prohibits retaliation against an individual who submits a complaint or assists in the investigation of a complaint and interference in the investigation of a complaint is prohibited. An employee who is determined to be in violation shall be subject to disciplinary action, up to and including dismissal.

Volume III

The [Table of Contents](#) is revised to add [MS 2122](#), Scheduling Appointments on KAMES, to rename [MS 2880](#), Determining a K-TAP Ineligibility Period, and to remove MS 2889, Ineligibility Period Computation.

[MS 2122](#), Scheduling Appointments on KAMES, is created to provide information on how to schedule appointments on KAMES.

[MS 2285](#), Citizenship Requirements, is revised to include information on processing cases when an individual does not verify citizenship and what action to take after 90 days.

[MS 2500](#), Income - General Information, is revised to include the calculation code chart. Also, another example is added for clarity in rounding hours when employment hours fluctuate.

[MS 2610](#), Child Support and/or Spousal Support, is revised to remove the statement that escrow support is considered as lump sum income.

[MS 2630](#), Nonrecurring Lump Sum Income, is revised to delete the information concerning escrow child support payments as they are not considered lump sum income.

[MS 2770](#), Self-Employment Income, is revised to include information on considering new self-employment income.

[MS 2802](#), Standard of Need, is revised to add a paragraph about the relationship with the Gross Income Scale.

[MS 2825](#), Gross Income, is revised to change DCS to CSE and to add that the income of the K-TAP family must not exceed the Standard of Need for the family size.

[MS 2880](#), Introduction to Ineligibility Period, is renamed "Determining a K-TAP Ineligibility Period" and revised to incorporate the information formerly found in MS 2889, Ineligibility Period Computation.

MS 2889, Ineligibility Period Computation, is now obsolete, and the information is moved to [MS 2880](#).

[MS 3040](#), Noncooperation with Child Support Activities, is revised to clarify that a supplemental payment is not issued when the disqualification is cured the same month it is applied.

[MS 3860](#), WIN Reimbursement Process, is revised to add a statement to review the individual's KWP status (exemptions or good cause) prior to entering income.

[MS 5090](#), Kinship Care Benefit Payments, is revised to state a child's portion of K-TAP is considered as \$49 when the child is approved for Kinship Care and received K-TAP with a parent in the same month. If the child received K-TAP with the future Kinship Care caregiver, the K-TAP amount is deducted from the Kinship Care amount.

#### Volume IIIA

[MS 4210](#), Vocational Educational Training, is revised to state that 1 hour of study time is also allowed for on-line classes.

[MS 4217](#), Coding Vocational Educational Training, is revised to state both parents in a "W" case cannot participate in a vocational educational training unless one parent meets the core required core hours (30/50).

[MS 4660](#), Excused Absences/Approved Holidays, is revised to include excused absences in the explanation of determining the hours an individual receives based on their participation schedule and attendance.

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised to include system changes to the Monthly tracking screen. "F" is entered in the "TRANS" field to issue a \$200 payment requested for 4 or more days, the "TRANS" field is left blank (space) if no payment is requested or if the number of days was not indicated on form PA-33, Verification of Kentucky Works Participation, and the worker must visit the "Payment" screen to issue a \$15 payment for 1-3 days using code "55".

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operations Manual  
Transmittal Letter No. 361  
April 1, 2010

TO: All Field Staff

SUBJECT: STEP Operations Manual

With this transmittal letter, Volume VII, STEP System, is created. The information from this Volume was previously found in the Computer Manual, Section IV and has been updated.

For this reason, we recommend you review the entire Volume VII.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 360  
April 1, 2010

To: All Field Staff

Subject: Incorporations of Policy Updates

Volume II

The [Table of Contents](#) is revised to add [MS 2715](#), Supports for Community Living and Group Living Arrangements.

[MS 2710](#), Method of Application, is revised to remove an incorrect cross reference and to change references from stamps to benefits.

[MS 2715](#), Supports for Community Living and Group Living Arrangements, is created to incorporate OM Update No. 05-35, Supports for Community Living and Group Living Arrangements. This outlines policy regarding SCL residents with respect to food benefits eligibility.

[MS 3285](#), Denial and Discontinuance Reasons, is revised to remove an incorrect cross reference and to change the reference from stamps to benefits.

[MS 5420](#), Medical Deductions-General, is revised to remove the cross reference to OM Update No. 06-01 and its Errata as it is obsolete and no longer applies. It is also revised to remove an incorrect cross reference to OM Update No. 05-28 and its Errata.

The reference to the Food Stamp Program (FSP) is removed and changed to the Supplement Nutrition Assistance Program (SNAP). It is also revised to remove the reference to Food Benefits. Make sure this program is still effective.

[MS 5430](#), Allowable Medical Deductions, is revised to remove an incorrect cross reference.

Volume X

The Table of Contents is revised to remove OM Update No. 05-28, MS 99712 and its Errata, OM Update No. 05-35, MS 99719, OM Update No. 06-01, MS 99720 and its Errata, OM Update No. 07-19, MS 99768, as they are obsolete.

OM Update No. 07-20, [MS 99769](#), is revised to remove the cross reference to Volume II, MS 6200.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 359  
March 1, 2010

To: All Field Staff

Subject: Clean-up of Volume IVA – Part II

This OMTL is issued to clarify and correct manual material found in Volume IVA. This OMTL is further issued to specifically revise and reorganize the sections in Volume IVA on the Medicare Savings (QMB, SLMB and QI1) Program. Material that is out of date or no longer needed is removed. Policy that is duplicated is condensed for clarity. Virtually every section is renamed and rewritten. All sections regarding the Medicare Savings Program (MS 4400 – MS 4649) are considered new as of 3/1/10. It is recommended that all material regarding QMB, SLMB and QI1 be reviewed.

Volume IVA

The [Table of Contents](#) is revised to change the title of [MS 2055](#) to “Calculating Life Estate Transfers/Terminations”. The [Table of Contents](#) is also revised to obsolete the following manual sections:

- MS 2100, Verification of Transfer of Resources
- MS 4400, QMB Overview;
- MS 4410, QMB Applications;
- MS 4440, Conditional Enrollment;
- MS 4450, Resources;
- MS 4455, QMB Resource Limits;
- MS 4460, Income;
- MS 4470, QMB Income Scale;
- MS 4480, Deductions;
- MS 4490, QMB Effective Date;
- MS 4500, Approvals;
- MS 4510, PA-62 Processing;
- MS 4530, QMB Recertifications;
- MS 4550, Scope of Program;
- MS 4560, Applications;
- MS 4565, Technical Eligibility;
- MS 4570, SLMB Resources;
- MS 4575, SLMB Income;
- MS 4580, SLMB Deductions;
- MS 4585, SLMB Effective Dates;
- MS 4590, Interim/Recertifications;
- MS 4595, Case Processing;
- MS 4600, Medicare Qualified MA (QI1)

The [Table of Contents](#) is further revised to add the following manual sections:

- [MS 4400](#), Medicare Savings Program Overview;

- [MS 4430](#), Technical Eligibility for Medicare Savings Program;
- [MS 4450](#), Resource Limits for Medicare Savings Program;
- [MS 4455](#), Income Limits for Medicare Savings Program
- [MS 4460](#), Medicare Savings Program Income;
- [MS 4470](#), Medicare Savings Program Deductions;
- [MS 4500](#), Medicare Savings Program Case Actions
- [MS 4515](#), QMB, SLMB, or QI1 Effective date
- [MS 4525](#), Accretes, Deletes, and Restorations
- [MS 4535](#), Ex-Parte With QMB, SLMB, OR QI1

[MS 1030](#), Classification of Eligible Groups, is revised to clarify the codes used in SSI, SSI/SSP, Pass Through, and SSP categories. It is further revised to replace the term “interested party” with “authorized representative.”

[MS 1372](#), Application Interview, is revised to:

- Replace the directive to “provide form PAFS-14 for signature” with “provide form PA-17” as form PAFS-14 is now obsolete;
- Remove the directive to explain co-pays;
- State that workers should explore eligibility in all categories including Family MA and AFDC Related MA; and
- Update links to Volume I.

[MS 1374](#), Applications for the Deceased, is revised to clarify the special income standard is to be used for applicants who die prior to the 30<sup>th</sup> day of institutionalization. It is further revised for clarity.

[MS 1470](#), Standards of Promptness, is revised to clarify processing time standards for a case in which the 30<sup>th</sup> day falls on a weekend or holiday. It is further revised to incorporate policy regarding good cause codes previously located in Volume I, MS 0151 which was obsolete with OMTL 343.

[MS 1480](#), Recertification Process, is revised to reflect the change in recertification month from December to September for QI1 cases.

[MS 1890](#), Annuities, is revised to clarify that annuities purchased prior to February 8, 2006 but annuitized after that date must have DMS named as a beneficiary and to state that for resource assessment only, DMS does not have to be added as beneficiary prior to their review of the annuity but the change must be made prior to review for an application. It is further revised for clarity and to remove outdated information.

[MS 1900](#), Life Expectancy Table, is revised to update the life expectancy table. It is further revised to remove the death probability columns as these are not pertinent to policy.

[MS 1960](#), Lifetime Care Agreement, is revised to add instructions for sending Lifetime Care Agreements to DMS for review. It is further revised for wording and clarity.

[MS 1980](#), Non-Home Real Property, is revised to instruct workers to complete form PA-16 for all property checks including those in the current county of residence. It is further revised for minor changes in wording.

[MS 2050](#), Transfer of Resources, is revised to incorporate the MA LTC look back calendar. It is further revised for changes in wording.

[MS 2055](#), Calculating Life Estate Transfers, is renamed. It is now titled "Calculating Life Estate Transfers/Terminations". This manual section is also revised to clarify how a transfer of resources penalty applies when ownership of property has been transferred to another individual while retaining life interest in that property VERSUS property that is sold which terminates the life estate interest. This manual section is further revised to correct the life expectancy divider in the case example given.

[MS 2070](#), Exceptions to Transfer of Resources, has been revised to incorporate procedures in submitting a hardship determination. It has been further revised to clarify the requirements for excluding the transfer of property to a child who has lived with the client for two years.

[MS 2080](#), Consideration of Transferred Resources, is revised to:

- Incorporate policy from MS 2100;
- Update the transfer of resource divider;
- Remove policy regarding how to calculate resource transfers which occurred prior to February 8, 2006 as this is now beyond the look back period; and
- Make changes in wording.

MS 2100, Verification of Resources, is obsolete as this information has been incorporated into MS 2080.

[MS 2130](#), Resource Assessment, is revised to state form PA-22 is completed at every LTC inquiry or application if there is a community spouse in the household. It is further revised to incorporate policy from MS 2135 regarding entering the resource assessment information on KAMES at application.

[MS 2135](#), Community Spouse Resource Allowance Calculation, is revised to state that if a resource assessment was not completed prior to application, then form PA-22 is completed at application. It is also revised to remove policy regarding the community spouse resource assessment as it is incorporated into MS 2130. It is further revised to provide a link to MS 1750 for the current minimum and maximum community spouse allowance.

[MS 2460](#), Wages, is revised to include information on Therapeutic Wages.

[MS 3300](#), Who is Eligible for LTC Vendor Payment, is revised to:

- Include applicants who have been in LTC for more than 30 days or died prior to the 30<sup>th</sup> day; and
- Remove the statement that "arrangements for LTC is a joint responsibility of the Peer Review Organization and the Department of Protection and Permanency" as this information is incorrect.

[MS 3470](#), Excluded Income for LTC/Waiver, is revised for clarity.

[MS 3480](#), Deductions and Allowances, is revised to:

- List the amount of personal needs allowance;
- Delete all references to PASS deductions;
- Add Michelle P to the types of LTC waiver services eligible for the \$65 and ½ remainder disregard from earned income;

- State the Medicare Part D premium can be allowed as a deduction if the recipient is responsible for the cost;
- State the recipient can choose to use an average of the prior 3 months co-pay expense to determine ongoing deduction;
- To inform workers to deduct client's income when allowing a medical deduction for LTC expenses incurred prior to MA eligibility; and
- Make minor changes in wording.

[MS 3650](#), Peer Review Organizations, is revised to update the types of care for which Peer Review Organizations (PRO) conduct patient status determination. It is further revised to update which types of care require the verification source "PR" and for clarity.

[MS 4150](#), Pass Through Overview, is revised for clarity.

[MS 4160](#), Concurrent SSI/SSP, is revised for clarity.

[MS 4220](#), Resources, is renamed. The new title is "Pass Through Resources". This manual section is also revised to remove the statement directing workers to explore eligibility in a LTC case if there is a community spouse because when level of care is met the application is made in a LTC category rather than a Pass Through category. This manual section is also revised for reorganization and clarity.

[MS 4400](#), Medicare Savings Program Overview, is created to merge the general overview policy of the Medicare Savings Programs (QMB, SLMB, and QI1) into one manual section. MS 4550 and MS 4600 were incorporated into this new manual section.

MS 4410, QMB Applications, is now obsolete. It is incorporated into [MS 4500](#).

[MS 4430](#), Technical Eligibility for Medicare Savings Program, is created to merge the technical eligibility requirements for the Medicare Savings Programs (QMB, SLMB, and QI1) into one manual section. MS 4430, MS 4440 and MS 4565 were incorporated into this new manual section.

MS 4440, Conditional Enrollment, is obsolete. It is incorporated into [MS 4430](#).

[MS 4450](#), Resource Limits for Medicare Savings Program, is created to merge the Medicare Savings Programs (QMB, SLMB, and QI1) resource policy into one manual section. MS 4450, MS 4455, MS 4570 and part of MS 4600 were incorporated into this new manual section.

[MS 4455](#), Income Limits for Medicare Savings Program, is created to merge the Medicare Savings Programs (QMB, SLMB, and QI1) income limits policy into one manual section. MS 4470 and part of [MS 4575](#) and [MS 4600](#) were incorporated into this new manual section.

[MS 4460](#), Medicare Savings Program Income, is created to merge the Medicare Savings Programs (QMB, SLMB, and QI1) income policy into one manual section. MS 4460 and part of [MS 4575](#) were incorporated into this new manual section.

[MS 4470](#), Medicare Savings Program Deductions, is created to merge the Medicare Savings Programs (QMB, SLMB, and QI1) deductions policy into one manual section. MS 4480 and MS 4580 were incorporated into this new manual section.

MS 4480, Deductions, is obsolete as it has been incorporated into [MS 4470](#).

MS 4490, QMB Effective Date, is obsolete as it has been incorporated into [MS 4515](#).

[MS 4500](#), Medicare Savings Program Case Actions, is created to:

- Merge the Medicare Savings Programs (QMB, SLMB, and QI1) policy regarding case actions such as approvals, denials, recertifications, interim changes and Spend Down into one manual section;
- Incorporate MS 4530, MS 4560, MS 4590, MS 4595 and part of [MS 4600](#) into this new manual section;
- Explain that for current quarter Spend Down, discontinue the QI1 case and complete the Spend Down application on KAMES. Once the Spend Down period has expired, reenter the QI1 case on KAMES; and
- Explain that for any month in the prior quarter Spend Down, issue the Spend Down by special circumstance. MSBB must be contacted at [DFS.Medicaid@KY.Gov](mailto:DFS.Medicaid@KY.Gov) to have eligibility updated otherwise Spend Down eligibility will not be issued as there is no dual eligibility for QI1.

MS 4510, PA-62 Processing, is obsolete as QMB/SLMB or QI1's are no longer entered on the PA-62 system.

[MS 4515](#), QMB, SLMB or QI1 Effective Date, is created to merge policy regarding effective dates for the Medicare Savings Programs (QMB, SLMB, and QI1) into one manual section. [MS 4490](#) and [MS 4585](#) were incorporated into this new manual section.

[MS 4525](#), Accretes, Deletes and Restorations, is created to remove part of [MS 4490](#) and incorporate it into its own section.

MS 4530, QMB Recertifications, is obsolete. It is incorporated into [MS 4500](#).

[MS 4535](#), Ex-Parte With QMB, SLMB or QI1, is created to remove part of [MS 4490](#) and incorporate it into its own section.

MS 4550, Scope of Program, is obsolete. It is incorporated into [MS 4400](#).

MS 4560, Applications, is obsolete. It is incorporated into [MS 4500](#).

MS 4565, Technical Eligibility, is obsolete. It is incorporated into [MS 4430](#).

MS 4570, SLMB Resources, is obsolete. It is incorporated into [MS 4450](#).

MS 4575, SLMB Income, is obsolete. It is incorporated into [MS 4460](#).

MS 4580, SLMB Deductions, is obsolete. It is incorporated into [MS 4470](#).

MS 4585, SLMB Effective Dates, is obsolete. It is incorporated into [MS 4515](#).

MS 4590, Interim/Recertifications, is obsolete. It is incorporated into [MS 4500](#).

MS 4595, Case Processing, is obsolete. It is incorporated into [MS 4500](#).

MS 4600, Medicare Qualified MA (QI1), is now obsolete. It is incorporated into [MS 4400](#), [MS 4450](#), [MS 4455](#) and [MS 4500](#).

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 358  
March 1, 2010

To: All Field Staff

Subject: Newborn Database and Miscellaneous Changes to Volume IV

This OMTL is issued:

- To incorporate new policy regarding the Newborn Database into volume III and IV. Changes to KAMES are not currently available. Field staff will be notified as soon as the changes go into effect;
- To revise and reorganize the sections in Volume IV on the Medicare Savings (QMB, SLMB and QI1) Program. Material that is out of date or no longer needed is removed. Policy is condensed into one manual section and staff is referred to Volume IVA for additional policy. It is recommended that all material regarding QMB, SLMB and QI1 be reviewed; and
- For clarity and corrections.

Volume III

[MS 2170](#), Request for a Member Add, is revised to add information on the Newborn Database and to incorporate information formerly found in Volume VI, MS 5405.

Volume IV

The [Table of Contents](#) is revised to add manual section [MS 2140](#), Introduction to the Medicare Savings Program and [MS 2851](#), Automated Medicaid Issuance for Newborns. The table of contents is further revised to:

- Rename MS 2200. The new title is "Medical Support Enforcement (MSE)";
- Remove MS 2220, Cooperation with MSE, and MS 2230, Noncooperation with MSE, as they are now obsolete;
- Rename MS 2250. The new title is "Worker Responsibilities";
- Rename MS 2410. The new title is "The Specified Relative (SR) and the Second Parent";
- Remove MS 2430, Second Parent, as it is now obsolete;
- Rename MS 2610. The new title is Unemployment: UIB and Work Registration";
- Remove MS 4200, Introduction to QMB, as it is now obsolete;
- Remove MS 4210, QMB Technical Eligibility, as it is now obsolete;
- Remove MS 4220, QMB Financial Eligibility, as it is now obsolete;
- Remove MS 4230, QMB Effective Dates, as it is now obsolete;
- Remove MS 4250, QMB Interim/Recertification, as it is now obsolete; and
- Remove MS 4260, QMB Case Processing, as it is now obsolete.



[MS 1290](#), Adding a Household Member, is revised to add a cross-reference to [MS 2851](#), Automated Medicaid Issuance for Newborns.

[MS 2140](#), Introduction to the Medicare Savings Program, is created to condense all QMB manual material previously found in MS 4200, MS 4210, MS 4220, MS 4230, MS 4250 and MS 4260.

[MS 2200](#), MSE Requirements, is renamed. The new title is "Medical Support Enforcement (MSE)". This manual section is further revised to:

- Incorporate manual material from MS 2220;
- Incorporate manual material from MS 2230; and
- For clarity.

[MS 2210](#), MSE for SSI Child, is revised to change the reference from CS-333.3 to CS-333 as this form has changed.

MS 2220, Cooperation with MSE, is now obsolete and is incorporated into [MS 2200](#).

MS 2230, Noncooperation with MSE, is now obsolete and is incorporated into [MS 2200](#).

[MS 2240](#), Non-Cooperation Procedures, is reorganized for better clarity. This manual section is further revised to remove the cross reference to the clarification "Relationship Verification" as it is an inappropriate cross reference.

[MS 2250](#), Summary of DCBS Worker Responsibilities, is renamed. The new title is "Worker Responsibilities." This manual section is further revised for reorganization and clarity.

[MS 2410](#), Specified Relative, is renamed. The new title is "The Specified Relative (SR) and the Second Parent". This manual section is also revised for reorganization and clarity. This manual section is further revised to incorporate manual material from MS 2430 which is now obsolete.

MS 2430, Second Parent, is obsolete and has been incorporated into [MS 2410](#).

[MS 2610](#), Unemployment UI and Work Registration, is renamed. The new title is "Unemployment: UIB and Work Registration". This manual section is further revised to reorganize the content for clarity.

[MS 2851](#), Automated Medicaid Issuance for Newborns, is created to incorporate new policy on issuing Medicaid eligibility for deemed eligible newborns.

MS 4200, Introduction to QMB, is obsolete as it has been incorporated into [MS 2140](#).

MS 4210, QMB Technical Eligibility, is obsolete as it has been incorporated into [MS 2140](#).

MS 4220, QMB Financial Eligibility, is obsolete as it has been incorporated into [MS 2140](#).

MS 4230, QMB Effective Dates, is obsolete as it has been incorporated into [MS 2140](#).

MS 4250, QMB Interim/Recertification, is obsolete as it has been incorporated into [MS 2140](#).

MS 4260, QMB Case Processing, is obsolete as it has been incorporated into [MS 2140](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 357  
March 1, 2010

To: All Field Staff

Subject: Various Changes to Volumes I, III, and IIIA

Volume I

The [Table of Contents](#) is revised to add [MS 0055](#), Kentucky Enterprise User Provisioning System (KEUPS).

[MS 0055](#), Kentucky Enterprise User Provisioning System (KEUPS), is created to explain single-sign on and KEUPS workflows.

[MS 0070](#), General Provisions for Assignment of Worker and Caseload Codes, is revised to include information on Kentucky Enterprise User Provisioning System (KEUPS), as well as information regarding statewide case access.

Volume III

[MS 2285](#), Citizenship Requirements, is revised to change policy concerning applicants unable to provide citizenship verification and how the case is processed without verification of citizenship.

[MS 2318](#), School Attendance Verification, is revised to clarify teen parents coded M03 must have the appropriate component entered on STEP and that teen parents coded M07 are tracked on KAMES.

Volume IIIA

[MS 4200](#), Educational Component for Teen Parents, is revised to explain tracking for teen parents coded M07 is completed on KAMES by entering the school information and tracking for teen parents coded as M03 is automatically tracked on STEP by entering the appropriate component.

[MS 4230](#), Community Service, is revised to remove references to OWP and to add an example of a WEP/COM Fair Labor Standard Act (FLSA) calculation when the calculation exceeds the required hours of KWP participation.

[MS 4270](#), Work Experience Program (WEP), is revised to change OWP to WEP.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 356  
March 1, 2010

To: All Field Staff

Subject: Volume I Dismissal Final Orders; Volume II Shelter and Household  
Composition Revisions

Volume I

[MS 0510](#), Recommended Order, is revised to add if no exception is taken to a Recommended Order of Dismissal then the Recommended Order becomes the Final Order 15 days from issuance of the Recommended Order.

Volume II

The [Table of Contents](#) is revised to remove MS 8240, Mutilated/Improperly Manufactured Coupons, as this is now obsolete. It is further revised to change the title of MS 2900 from Immigrant Status to Alien Status.

[MS 2900](#), Alien Status, is revised to update the status of Iraqi and Afghan Special Immigrants (SIVs) to refugee status and remove the 6 to 8 month eligibility period. It is further revised to change the reference from immigrants to aliens for consistency with FNS wording.

[MS 5470](#), Allowable Shelter Deductions, is revised to simplify policies and procedures for shelter deductions and shelter verification.

[MS 5480](#), Disallowable Shelter Costs, is revised to remove the reference to credit life. It is also revised to add charges for recoupment and for keeping a pet are not allowable deductions.

[MS 5500](#), Treatment of Utility Expenses, is revised to clarify policy with regards to separate households that separate utility expenses.

[MS 6710](#), Reporting Requirements for Pending Applications, is revised to clarify reporting requirements from the time of the interview until the case is processed.

[MS 7000](#), Required Verification at Application, is revised to simplify policies and procedures for shelter deductions and shelter verification. It is further revised to add alien status and student status. It is also revised to further clarify what is considered questionable verification. Additionally, it is revised to add client statement can be used as verification of last resort.

[MS 7020](#), Verification of Questionable Information, is revised to remove the requirement of sending a form PAFS-15, Authorization for Release of Information, to financial institutions for account information.

[MS 7030](#), Required Verification at Recertification, is revised to simplify the policies and procedures for shelter verification.

[MS 7050](#), Sources of Verification, is revised to add client statement can be used as verification of last resort.

Additionally, all the manual sections listed above are revised to change the reference from "stamp" to "benefits".

MS 8240, Mutilated/Improperly Manufactured Coupons, is obsolete.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 355  
February 1, 2010

To: All Field Staff

Subject: Mail-In Applications for "Z" Cases.

Volume IVA

The [Table of Contents](#) is revised to add [MS 4420](#), Mail-In applications for Medicare Savings Programs.

[MS 4420](#), Mail-In Applications for Medicare Savings Programs, is created to state that a face-to-face interview is no longer required for "Z" applications due to the creation of form MAP-205, Application for Medicare Savings Program. It is also created to give instructions for processing form MAP-205.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 354  
February 1, 2010

To: All Field Staff

Subject: Claims Revisions

Volume I

Claims policies and procedures are revised and condensed for clarity and to eliminate redundant sections. Policy relating to functions that are the sole responsibility of staff attached to the Claims Management Section (CMS) is removed. This includes termination criteria for food benefit claims, KCD activity when a household files a bankruptcy petition, and criteria for collecting claims by state or federal offset. General information relating to hearings has been removed from claims material as it is contained in Volume I [MS 0440](#)- [MS 0559](#).

The [Table of Contents](#) is revised to renumber and rename all sections of the Claims chapter.

[MS 0510](#), Recommended Order, is revised to add that an exception to a recommended order relating to an Administrative Disqualification Hearing is routed to the Claims Management Section. An e-mail address is provided.

[MS 1080](#), Administrative Disqualification Hearing Process Flow Chart, is renumbered.

[MS 1090](#), Client Request for Redetermination on Claims Prior to 10/1/92, is renumbered.

[MS 1100](#), Local Office Procedures on Administrative Disqualification Hearing Final Order, is renumbered.

**All other manual sections in the Claims chapter are new. It is suggested all be accessed and reviewed.**

[MS 0800](#), How to Prevent a Claim, describes measures to be taken to prevent overpayments in all programs.

[MS 0810](#), How to Identify a Claim, outlines sources of claim identification for all programs.

[MS 0820](#), Kentucky Claims Debt Management System, provides a link to online instructions and lists functions performed by field staff.

[MS 0830](#), Field Staff Responsibilities for Claims, lists functions field staff performs.

[MS 0840](#), Claims Management Section Information and Responsibilities, provides Central Office contact information and lists functions performed by CMS.

[MS 0850](#), Claims Control Files, contains information regarding the content and retention of files maintained by field staff.

[MS 0860](#), Time Frames for Establishing a Claim, contains time frame information for establishing claims in all programs.

[MS 0870](#), General Procedures for All Suspected Claims, states county responsibility for claims completion and outlines processes common to all claims.

[MS 0880](#), General Procedures for a Suspected Fraud Claim, contains guidelines for suspecting fraud has occurred.

[MS 0890](#), How to Determine the First Month of a Claim, contains instructions for all programs.

[MS 0900](#), Determining Eligibility Through Extensive Review, contains procedures for referral of suspicious cases to OIG for investigation. This program is operational only in selected counties.

[MS 0910](#), Referral of Claims to the Office of Inspector General, contains criteria for referral of a claim occurring due to suspected fraud to the Office of Inspector General for investigation and possible court action. Field staff enters the potential claim within 10 days of the discovery date on KCD and complete and route form PAFS-88, OIG Referral Summary/Disposition, with available documentation and verification to support the claim, within 30 days of discovery to CMS. OIG has a 90 day time frame to complete an investigation and determine if prosecution will be pursued.

[MS 0920](#), Fraud "Hotline" Referrals, contain the hotline number where fraud can be reported and outlines procedures for field staff receiving a hotline referral.

[MS 0930](#), Employee Fraud, contains the penalties for employees convicted of obtaining benefits unlawfully or assisting others to do so. The required actions to be taken if employee fraud is suspected are included in the section.

[MS 0940](#), Who Must Pay a Claim, lists the individuals responsible for repayment of an overpayment in all programs.

[MS 0950](#), Claim Repayment Methods, lists the methods of repayment for all programs and includes an explanation of the minimum amount that can be recovered by KAMES benefit reduction.

[MS 0960](#), Collecting Payments on Claims, outlines the collections process and field office responsibilities.

[MS 0970](#), When a Claim is Overpaid, states the process for refunding payments to a household who pays back more than the claim amount.

[MS 1000](#), Categories of Food Benefits Claims, states the types of food benefit claims and criteria for each type.



[MS 1005](#), No Claim Determination, gives examples of when a food stamp claim is not established.

[MS 1010](#), Procedures for Specific Households, provides instruction for different food benefit situations. This includes categorically eligible households, claims involving an authorized representative or sponsored alien, voluntary quit situations, households with an ineligible or disqualified member, fleeing felon members, and implementation dates of Simplified Reporting.

[MS 1020](#), Trafficking and Retailer Fraud, defines trafficking and outlines field staff responsibilities when potential trafficking occurs. It also provides the number to report alleged retailer fraud.

[MS 1030](#), How to Calculate a Food Benefits Claim, contains information on how to determine a claim period, computation of claims occurring in a household subject to simplified reporting requirements, changes in the treatment of utility expenses, application of the earnings deduction when computing a claim, how to compute a claim involving a change, and adjustments to the claim amount.

[MS 1040](#), Joint Non Fraud and Fraud Claims, provides instruction regarding computation of different categories of food benefit claims for the same claim period.

[MS 1050](#), How to Process an Intentional Program Violation Claim, outlines processes for food benefit claims occurring due to suspected fraud.

[MS 1060](#), Criteria for Pursuing an Intentional Program Violation Claim, contains a list of evidence that can be considered when determining intent to defraud and examples of fraud vs. inadvertent household errors.

[MS 1070](#), Administrative Disqualification Hearings, outlines the process to disqualify an individual from participating in the food benefit program. It includes criteria for referring a case to the Hearings Branch, evidence to be included on form FS-79, Request for an Administrative Disqualification Hearing, and follow-up once a decision is rendered.

[MS 1080](#), Administrative Disqualification Hearing Process Flow Chart, is a visual representation of the hearing process.

[MS 1090](#), Client Request for Redetermination on Claims Established Prior to 10/1/92, outlines the process for households who signed a version of the FS-80, Notice of Suspected Intentional Program Violation, prior to October 1, 1992, and want to have the claim category changed.

[MS 1100](#), Local Office Procedures for Acting on Administrative Disqualification Hearing Final Order, outlines field activity to be taken when a final order is received on a food benefits claims case.

[MS 1110](#), Intentional Program Violation Disqualification Penalties, outlines the disqualification periods for various food benefit offenses.

[MS 1120](#), Deferred Adjudication of Intentional Program Violation Claims, outlines the processes relating to completion of form FS-111, Deferred Adjudication Disqualification Consent Agreement. The agreement is initiated by the prosecuting

attorney to avoid a court action when a member agrees to disqualification and repayment of a food benefit fraud claim.

[MS 1130](#), Disqualified Recipient Subsystem, describes required activities involving resolution of matches with the national file of disqualified individuals.

[MS 1140](#), Compromising Food Benefit Claims, outlines procedures for reducing or eliminating an established claim due to household hardship.

[MS 1200](#), Cash Assistance and Other Related Program Claims is an overview of non-food benefit claims and include the date claims procedures were implemented for each type program.

[MS 1210](#), How to Calculate a Cash Assistance and Other Related Program Claims, provides instructions for completing K-TAP, Kinship Care, K-TAP Supportive Services, FAD, Relocation, Education Bonus, and WIN claims.

[MS 1220](#), Claims for SSI Recipients, provides information on K-TAP claims resulting from the receipt or non-receipt of SSI.

[MS 1230](#), Retained Child Support, provides instruction for considering child support payments received by the State in the computation of a K-TAP or Kinship Care claim.

[MS 1240](#), Medical Assistance Claims, defines a medical assistance claim and the process followed by field staff when an overpayment of medical services occurs due to fraud.

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 353  
February 1, 2010

To: All Field Staff

Subject: Changes to STEP Tracking Screen and Incorporation of Volume VI Material

Volume III

The [Table of Contents](#) is revised to remove MS 2886, Nonrecurring Lump Sum Gross Income, MS 2892, Applications During Ineligibility Period and MS 2900, General Information. Also, [MS 2240](#) is renamed K-TAP Family with Two Parents.

[MS 2120](#), K-TAP Application/Recertification Interview, is revised to incorporate information formerly found in MS 2900.

[MS 2160](#), Case Action on Applications, is revised to incorporate information formerly found in MS 2892.

[MS 2180](#), Supplemental Payments, is revised to incorporate information formerly found in Volume VI, MS 5405.

[MS 2210](#), Introduction to Technical Eligibility Requirements, is revised to include information formerly found in Volume VI, MS 1590.

[MS 2240](#), Two Parent Family, is renamed K-TAP Family with Two Parents and revised to incorporate information formerly found in Volume VI, MS 1630.

[MS 2250](#), Family with Minor Parent, is revised to incorporate information formerly found in Volume VI, MS 1620.

[MS 2316](#), School Attendance Requirement, is revised to incorporate information formerly found in Volume VI, MS 5540.

[MS 2324](#), KWP Exemption Criteria, is revised to include information regarding receipt of a spot check when an IM ID code is changed to R57, R58 or R52.

[MS 2326](#), Minor Teen Parents, is revised to include information formerly found in Volume VI, MS 5530.

[MS 2377](#), Incapacity, is revised to include information formerly found in Volume VI, MS 1910.

[MS 2425](#), Individual Development Account, is revised to incorporate information formerly found in Volume VI, MS 3060.

[MS 2630](#), Non-recurring Lump Sum Income, is revised to incorporate information formerly found in MS 2886.

[MS 2700](#), Introduction to Earned Income, is revised to incorporate information formerly found in Volume VI, MS 3300 and MS 3365.

[MS 2770](#), Self-Employment Income, is revised to incorporate information formerly found in Volume VI, MS 3440.

### Volume IIIA

[MS 4005](#), KWP Participation Requirements, is revised to explain JST components are coded as a VOC component.

[MS 4210](#), Vocational Educational Training, is revised to include advanced degrees as an acceptable vocational educational training.

[MS 4250](#), Employment, is revised to include information on the STEP Monthly Tracking screen and changes in the tracking process.

[MS 4650](#), Monitoring and Tracking Participation, is revised to include changes to the STEP Monthly Tracking screen.

[MS 4652](#), PA-33 Process, is revised to clearly state there is no need to track components for KWP individuals who do not return verification of attendance.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to include changes to the STEP Monthly Tracking screen.

[MS 4700](#), Conciliation Process, is revised to include information on accessing the STEP Conciliation Notice History screen.

### Volume VI

The [Table of Contents](#) is revised to remove the following sections:

- MS 1000, Overview;
- MS 1442, Birthdate Inquiry;
- MS 1480, Claims Inquiry;
- MS 1590, Including the Nonresponsible SR When the SR is Technically Ineligible;
- MS 1620, Caretaker Relative Procedures;
- MS 1630, Spouses Applying for K-TAP with No Common Child;
- MS 1635, SSI Parent in K-TAP Household;
- MS 1650, Couple with Common and Unrelated Children;
- MS 1700, IM Representative/Payee;
- MS 1850, Answering "Are There Any Other Fathers?";
- MS 1910, Incapacity;
- MS 1930, Deprivation Changes;
- MS 1940, Deprivation Change Procedures;
- MS 1950, Recent Desertion;
- MS 2200, Verification of Student Status;
- MS 2202, Child Turning 18 Years Old;
- MS 2505, K-TAP Work Registration;

- MS 2510, Qualifying Parent;
- MS 2892, Applications During Ineligibility Period;
- MS 3060, Individual Development Account;
- MS 3120, Pending for Zero Income;
- MS 3300, Wages for a Specific Program;
- MS 3360, Pending Wages for Verification;
- MS 3365, Removing Wages;
- MS 3395, Earned Income Disregard;
- MS 3440, Self-Employment Screen;
- MS 3450, Farming;
- MS 5000, Overview;
- MS 5200, Overview;
- MS 5300, General Information;
- MS 5400, Issuing Supplementals;
- MS 5405, Manually-Issued Supplementals;
- MS 5410, Supervisory Approval of Supplementals;
- MS 5415, Supplemental Processing;
- MS 5420, Stopping Supplementals;
- MS 5520, Noncooperation with DCSE/MSE;
- MS 5530, Unsupervised Teen Parents;
- MS 5540, Teens and School;
- MS 5800, Benefit Reduction;
- MS 5910, RMDS Reports;
- MS 5970, RDS Reports; and
- MS 5975, KAMES Notices.

All of the manual sections listed as removed from the Volume VI Table of Contents are obsolete as part of an ongoing effort to update and streamline the Operation Manual. Some contained out-of-date or duplicate information, and some are incorporated into Volume III.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 352  
January 1, 2010

To: All Field Staff

Subject: Volume IV MS 2880 Principals Allowed to Delete Premium Payment  
Disqualifications

Volume IV

[MS 1070](#), Categories of Assistance, is revised to state children under the age 1 can be KCHIP/P7.

[MS 2880](#), KCHIP/P7 Premium Payment, is revised to incorporate the ability of principal workers to delete premium payment disqualifications. It is revised to state children under the age 1 can be KCHIP/P7. It is further revised, deleting a statement to combine P7 and P3 members in the same case, as well as other references to combining P7 members in any case with other non-P7 active members.

[MS 2890](#), Mail-In Application for "I" and KCHIP Categories, is revised to change the mail-in process. Mail-in applications are now processed by the KCHIP field workers.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 351  
January 1, 2010

To: All Field Staff

Subject: Changes in STEP Conciliation and Component Codes and Voter  
Registration and Incorporation of OM Updates in Volume III

Volume I

[MS 0640](#), Voter Registration, is revised to include information from FSM-09-08-122, Office Practices for Form PAFS-706, Voter Registration Rights and Declination, dated August 11, 2009. Information is changed to ensure compliance with statutory requirements that individuals (age 18 and over) be provided the opportunity to register to vote and/or update their voter registration information at application (including program transfer), recertification, address change or member add.

[MS 0650](#), Voter Registration Procedures, is revised to include information from FSM-09-08-122, Office Practices for Form PAFS-706, Voter Registration Rights and Declination, dated August 11, 2009. Information is changed to ensure compliance with statutory requirements that individuals (age 18 and over) be provided the opportunity to register to vote and/or update their voter registration information at application (including program transfer), recertification, address change or member add.

Volume III

The [Table of Contents](#) is revised to add MS 2115, Good Cause Codes for Untimely Case Processing.

[MS 2115](#), Good Cause Codes for Untimely Case Processing, is created to provide information formerly found in Volume I, MS 0151.

[MS 2200](#), Family Alternatives Diversion, is revised to clarify an individual may be FAD eligible if they cured a full family sanction prior to the FAD evaluation.

[MS 2215](#), Technically Excluded Individuals, is revised to remove the cross-reference to OM Update No. 05-10, MS 99694, 2/7/05, Tracking K-TAP Months of Receipt for Felons, and to correct the link to MS 2275, Subsidized Adoption Child.

[MS 2500](#), Income – General Information, is revised to incorporate OM Update No. 05-12, MS 99696, 3/1/05, Verification of Zero Income.

## Volume IIIA

The [Table of Contents](#) is revised to delete MS 4265, On-The-Job Training (OJT) and MS 5320, Issuance of Supplemental Transportation Payments.

[MS 4005](#), KWP Participation Requirements, is revised to provide information regarding creation of a component code EST (Employment Skills Training) and to clarify the coding of Literacy Instruction.

[MS 4130](#), Resource Directory, is revised to include the new component code Employment Skills Training (EST), which is a non-core component that is not included in the 12 months of vocational education. This manual section is further revised to explain appropriate component codes and invalid component codes.

[MS 4200](#), Educational Component for Teen Parents, is revised to include information on appropriate coding for Adult Basic Education and Literacy.

[MS 4210](#), Vocational Educational Training, is revised to include appropriate coding of vocational education activities and which components are no longer valid.

[MS 4215](#), Short-Term Training, is revised to clarify short-term training is a core activity and to explain the appropriate component for short-term training activities is JST.

[MS 4217](#), Coding Vocational Educational Training, is revised to clarify the coding of vocational educational activities and explain which components are no longer valid. It is further revised to incorporate changes to the STEP Monthly Tracking screen.

MS 4265, On-The-Job Training (OJT), is obsolete as the information is no longer valid. Pertinent information regarding subsidized wages is moved to [MS 4250](#), Employment.

[MS 4380](#), Adult Education, is revised for minor wording changes.

[MS 4700](#), Conciliation Process, is revised to explain the new Conciliation Screen on STEP, that is accessible for all KWP participants.

[MS 4750](#), Applying the KWP Sanction, is revised to add a 3 day timeframe for entering the sanction when it is apparent the KWP individual is not willing to cooperate.

MS 5320, Issuance of Supplemental Transportation Payments, is obsolete due to the changes in transportation.

## Volume X

The following OM updates are obsolete and removed from the [Table of Contents](#):

- MS 99621, OM Update No. 03-16 and Errata;
- MS 99638, OM Update No. 03-29;
- MS 99670, OM Update No. 04-16;
- MS 99671, OM Update No. 04-17;
- MS 99680, OM Update No. 04-26;
- MS 99694, OM Update No. 05-10;



- MS 99743, OM Update No. 06-24;
- MS 99760, OM Update No. 07-11;
- MS 99762, OM Update No. 07-13 and Errata;
- MS 99775, OM Update No. 07-26; and
- MS 99782, OM Update No. 08-06.

OM Update No. 05-12, [MS 99696](#) is revised to remove Volume III, MS 2500 from cross-references.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 350  
January 1, 2010

To: All Field Staff

Subject: IRS Safeguarding Change Volume I MS 0680 and Obsolete Volume X  
MS 99775

Volume I

[MS 0680](#), IRS Safeguarding Issues, is revised, changing the SRAA's contact information for reporting improper disclosure of IRS information from the Division of Family Support to the Division of Service Regions. It is further revised, incorporating more detailed procedures in order to comply with IRS requirements and reorganizing the contents of the section for clarity.

Volume X

MS 99775 is obsolete and the information is incorporated into Volume I [MS 0680](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No.349  
January 1, 2010

To: All Field Staff

Subject: Low Income Subsidy (LIS) Medicare Savings Program

Section IVA

The [Table of Contents](#) is revised to add [MS 4390](#), Medicare Part D, and [MS 4395](#), Low Income Subsidy (LIS) Medicare Savings Program.

[MS 4390](#), Medicare Part D, is created to give a general overview of the Medicare prescription drug coverage program.

[MS 4395](#), Low Income Subsidy (LIS) Medicare Savings Program, is created to incorporate policy regarding the new Social Security Administration (SSA) automated applications for Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB) and Qualifying Individuals (QI1) who qualify for LIS.

[MS 4455](#), Qualified Medicare Beneficiaries (QMB) Resources Limits, is updated to include the new resource limits.

[MS 4570](#), Specified Low-Income Medicare Beneficiaries (SLMB) Resources, is updated to include the new resource limits.

[MS 4600](#), Medicare Qualified Individuals Group 1 (QI1), is updated to include the new resource limits.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 348  
December 2009

To: All Field Staff

Subject: Incorporation of OM Updates and Other Revisions to Volumes III and IIIA

Volume III

The [Table of Contents](#) is revised to delete the following:

- MS 2371, Voluntary Absence Determination;
- MS 2387, Social Data;
- MS 2391, Time Limited Decisions;
- MS 2395, Hearing/Appeal Board Determinations;
- MS 2760, Workforce Investment Act (WIA) Income;
- MS 3070, Good Cause Claim Process; and
- MS 3090, Non K-TAP Individuals.

The [Table of Contents](#) is further revised with name changes to the following sections:

- [MS 2220](#), Eligibility Related Sanctions;
- [MS 2340](#), Deprivation and Joint Custody;
- [MS 2375](#), Referral for Child Support Enforcement;
- [MS 2389](#), Special Examinations for Incapacity Determinations;
- [MS 3030](#), Child Support Referral Process;
- [MS 3050](#), Good Cause for Noncooperation; and
- [MS 3760](#), Relocation Assistance Program Eligibility.

[MS 2145](#), Barriers Assessment, is revised to emphasize that the assessments questions are used to identify general health, mental health and learning disabilities that may require accommodation.

[MS 2220](#), Sanctioned Individuals, is renamed, Eligibility Related Sanctions, and revised to remove the cross-reference to OM Update 03-16, MS 99621, 4/1/03 Errata and to reorganize for clarity.

[MS 2225](#), Penalized Individuals, is revised to remove the cross-reference to OM Update 03-16 and Errata and add links to the appropriate manual sections for the KWP and child support penalties.

[MS 2324](#), KWP Exemption Criteria, is revised to clarify the process for reviewing eligibility for the "D" exemption.

[MS 2340](#), Introduction to Deprivation, is renamed Deprivation and Joint Custody, and the OM Update 04-20, MS 99674, 7/1/04 and Errata is incorporated.

[MS 2355](#), Divorce, is revised to remove the cross-reference to OM Update 04-20 and to delete the information on joint custody as it is now located in MS 2340.

[MS 2357](#), Legal Separation, is revised to add a link to MS 2340 for joint custody policy.

[MS 2361](#), Desertion, is revised to add a link to MS 2340 for joint custody policy.

[MS 2365](#), Birth Out-of-Wedlock, is revised to add a link to MS 2340 for joint custody policy.

[MS 2367](#), Verification of Voluntary Absence, is revised to include information formerly found in MS 2371, to incorporate OM Update 4-20 and to change the link for joint custody policy to MS 2340. In addition, the need for a second appointment for a desertion of less than 30 days is eliminated. Verification of desertion is obtained on or after the 30<sup>th</sup> day of absence if the application was taken before 30 days has elapsed.

[MS 2371](#), Voluntary Absence Determination, is now obsolete. The information is moved to MS 2367.

[MS 2375](#), Referrals to DCS, is renamed Referral for Child Support Enforcement. It is also revised to clarify that if an individual refuses to assign child support rights to the Cabinet, the K-TAP application is denied or the K-TAP case is discontinued. If the individual does not cooperate with child support activities after agreeing to assign rights, the 25% penalty is applied.

[MS 2377](#), Incapacity, is revised to remove the cross-reference to OM Update 01-16, MS 99564, 8/1/01.

[MS 2381](#), Incapacity Field Determination, is revised to add the inbox address, [MedReview@ky.gov](mailto:MedReview@ky.gov) for the Medical Review Team (MRT) and to add the name of form PA-610, Certification of Permanent and Total Disability.

[MS 2383](#), Medical Review Team (MRT) Determinations, is revised to remove the cross-reference to OM Update 01-16 and to add information formerly found in MS 2395.

MS 2387, Social Data, is now obsolete.

[MS 2389](#), Special Examinations, is renamed Special Examinations for Incapacity Determinations, and is revised to add the inbox address [MedReview@ky.gov](mailto:MedReview@ky.gov) for the Medical Review Team (MRT) and to correct form DDS-61, Authorization/Summary of Services.

MS 2391, Time Limited Decisions, is now obsolete.

MS 2395, Hearing/Appeal Board Determinations, is now obsolete and the information is moved to [MS 2383](#).

[MS 2510](#), Excluded Income, is revised to state that all WIA income is excluded. Also, payments from the World War II Filipino Veterans Equity Compensation Fund are excluded.

[MS 2615](#), Contributions, is revised to remove the reference to form PAFS-124, Student Income Verification form for loans not documented.

[MS 2715](#), Tips, is revised to remove the cross-reference to OM Update 06-26, MS 99745, 10/1/06 and Errata.

MS 2760, Workforce Investment Act (WIA) Income, is now obsolete as all WIA income is excluded.

[MS 2770](#), Self-Employment Income, is revised to incorporate OM Update 06-26.

[MS 3000](#), Requirements for Child Support Action, is revised to clarify if an individual refuses to assign child support rights to the Cabinet, the K-TAP application is denied or the K-TAP case is discontinued.

[MS 3030](#), Referral Process, is renamed Child Support Referral Process, and is revised to incorporate OM Update 05-09, MS 99693, 2/7/05.

[MS 3050](#), Good Cause Criteria, is renamed Good Cause for Noncooperation, and is revised to include information formerly found in MS 3070.

MS 3070, Good Cause Claim Process, is obsolete and the information is moved to [MS 3050](#).

MS 3090, Non K-TAP Individuals, is obsolete as it is no longer needed.

[MS 3760](#), RAP Eligibility, is renamed Relocation Assistance Program Eligibility, and is revised to remove the link for domestic violence verification and replace it with the sources of verification. The link for claims establishment is changed to reflect the correct link.

### Volume IIIA

[MS 4005](#), KWP Participation Requirements, is revised to state that on a case-by-case basis, in order to accommodate a disability, the hours and length of participation and type of activity are adjusted to meet the needs of the participant.

[MS 4300](#), Accident Insurance for Work Experience and Community Service Placements, to clarify the worker informs the WEP/COM provider about the accident insurance upon placement of an individual and to correct the name of FSSB mailbox found on the global address directory.

[MS 4720](#), Sanction Exceptions and Good Cause, is revised to add the inbox address [MedReview@ky.gov](mailto:MedReview@ky.gov) for the Medical Review Team (MRT).

[MS 4750](#), Applying the KWP Sanction, is revised to add language that sanctions for Unemployed Parent (UP) cases not participating in KWP activities are inappropriate.

[MS 4780](#), Curing the KWP Sanction at Reapplication, is revised to add an example of the process when a full family sanction individual reapplies for K-TAP and has been employed for at least 15 days.

#### Volume VI

The [Table of Contents](#) is revised to remove the following:

- MS 5005, KASES Referrals;
- MS 5550, Entering a KWP Sanction;
- MS 5555, Curing a KWP Sanction; and
- MS 5558, Adding or Deleting A 416 Disqualification;
- MS 5565, MA Eligibility for KWP Sanctioned Parent.

MS 5005, MS 5550, MS 5555, MS 5558 and MS 5565 are now obsolete as they contained outdated information.

#### Volume X

The [Table of Contents](#) is revised to delete the following OM Updates:

- MS 99564, OM Policy Update No. 01-16;
- MS 99674, OM Update No. 04-20;
- MS 99693, OM Update No. 05-09; and
- MS 99745, OM Update No. 06-26 and Errata.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 347  
December 1, 2009

To: All Field Staff

Subject: Revision of PAM-PA-326, Administrative Hearings pamphlet

Volume I

[MS 0440](#), Administrative Hearing Overview, is revised to rename pamphlet PAM-PA-326, Administrative Hearings, to PAM-PAFS-326, Division of Family Support Administrative Hearing Procedures, as this pamphlet is now used jointly for K-TAP, Medicaid and food benefits.

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 346  
November 1, 2009

To: All Field Staff

Subject: Revisions to Volume III and IIIA

This OMTL revises sections in Volume IIIA to include information on the increase of transportation assistance to a flat rate of \$200 per month. This affects transportation payments issued on or after 11/1/09. Transportation payments made for November but paid prior to 11/1/09 are not to be supplemented. Staff will still have the ability to supplement payments made for a prior month (example: an individual received partial transportation for October but verified on 11/5 that he/she completed enough days to be eligible for full transportation; the worker can issue a supplemental payment for October using code 'A' on STEP payment screen). The OMTL also clarifies that transportation payments are made only for individuals with 4 or more days in a month of KWP participation. Individuals who incur transportation costs associated with KWP participation for 1-3 days in a month are eligible for \$15, paid out of Miscellaneous Fees.

In addition, this OMTL contains information concerning the increase of Car Repair funds to \$1500 and explanation of start dates and balance reset on 11/1/09.

The OMTL also revises Volume III with material removed from Volume I.

Volume III

The Table of Contents is revised:

To delete:

MS 2302, Subsidized Adoption Child; and  
MS 2304, Strikers;

To add:

[MS 2040](#), Disclosure of Information for TANF Programs  
[MS 2198](#), Direct Deposit;  
[MS 2208](#) FAD Payments;  
[MS 2217](#), Strikers;  
[MS 2275](#), Subsidized Adoption Child;  
[MS 2285](#), Citizenship Requirements;  
[MS 2290](#), Verification of Identity Requirements;  
[MS 2460](#), Sponsor Resources; and  
[MS 2505](#), Sponsor Income;

To rename:

[MS 2209](#), FAD Payment Adjustments;  
[MS 2210](#), Introduction to Technical Eligibility Requirements; and  
[MS 2300](#), Criteria for Qualified Aliens.

The following manual sections are added to Volume III as a result of the reorganization of Volume I and are worded for clarity:

[MS 2040](#), Disclosure of Information for TANF Programs;  
[MS 2198](#), Direct Deposit;  
[MS 2209](#), FAD Payment Adjustments;  
[MS 2285](#), Citizenship Requirements;  
[MS 2290](#), Verification of Identity;  
[MS 2300](#), Criteria for Qualified Aliens;  
[MS 2460](#), Sponsor Resources; and  
[MS 2505](#), Sponsor Income.

[MS 2100](#), Making Application, is revised to correct the links to Volume I manual sections.

[MS 2120](#), K-TAP Application/Recertification Interviews, is revised to add that an explanation of KenPAC, the use of the Medicaid card, and use of benefits is provided during the interview. In addition, the links to other manual sections have been corrected.

[MS 2198](#), Direct Deposit, is created to describe the payment option of Direct Deposit available to K-TAP recipients.

[MS 2208](#), FAD Payments, is created with the material formerly located in MS 2209.

[MS 2209](#), FAD Payment Adjustments, now contains information concerning adjusting FAD payments.

[MS 2210](#), Eligible Individuals, is renamed Introduction to Technical Eligibility Requirements, and the information from MS 2300 is merged into this section.

[MS 2217](#), Strikers, is created and contains information formerly found in MS 2304.

[MS 2270](#), Adopted Child, is revised to correct a link and to change the reference to Child Support Enforcement.

[MS 2275](#), Subsidized Adoption Child, is created and contains information formerly found in MS 2302.

[MS 2285](#), Citizenship Requirements, is created to include information regarding citizenship requirements formerly found in Volume I.

[MS 2290](#), Verification of Identity Requirements, is created to include information regarding identity verification requirements formerly found in Volume I.

[MS 2300](#), Criteria for Qualified Aliens, is created to include information regarding qualified alien status formerly found in Volume I. In addition, the exemption from the 5-year ban for Afghans is extended to 8 months.

[MS 2332](#), Enumeration, is revised to incorporate the material concerning the enumeration process formerly found in Volume I.

[MS 2460](#), Sponsor Resources, is created to include information on K-TAP eligibility for a sponsored alien that was formerly in Volume I.

[MS 2505](#), Sponsor Income, is created to include information regarding income for a sponsored alien formerly contained in Volume I.

[MS 2605](#), Statutory Benefits, is revised to remove the Exception to using the NET amount of RSDI shown on IMS Program 39. The amount of RSDI will no longer be reduced if there is a reduction of RSDI due to an overpayment.

[MS 3700](#), Educational Bonus, is revised to state that an educational bonus can be paid one time for English as a Second Language (ESL) and once for any type of post-secondary degree. In addition, it is reorganized for clarity and a statement concerning verification is added.

### Volume IIIA

The [Table of Contents](#) is revised to add [MS 5388](#), Supportive Service Refunds and Adjustments.

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to incorporate information from FSM 09-09-127, Adding Transportation Reimbursement to the WEP/COM Calculation, which added the KWP transportation payments to the calculation of WEP/COM hours.

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised to change the amount of transportation paid to \$200 per month and to explain changes in the process of issuing the payment since only one amount will be issued. Only individuals with 4 or more days a month of KWP participation are eligible for \$200.

[MS 5350](#), Overview of Supportive Services, is revised to change the amount of car repair to \$1500 per 12-month period. It also revises the section regarding Miscellaneous Fees. Code 55 is used to issue \$15 for individuals with transportation costs associated with KWP Participation for 1-3 days in a month.

[MS 5375](#), Car Repairs and Expenses, is revised to change the amount of car repair to \$1500. KWP participants with a current car repair start date will have their car repair start date changed to 11/1/09. KWP participants without a car repair start date will have their start date set when the first car repair payment is entered on STEP.

[MS 5388](#), Supportive Service Refunds and Adjustments, is created to identify procedures for supportive service refunds and adjustments.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 345  
November 1, 2009

To: All Field Staff

Subject: Volume I Removal of Food Benefits Specific Manual Sections in  
Volume II; Various Revisions to Volume II

Volume II

The [Table of Contents](#) revised to remove the following manual sections as they are obsolete:

MS 5495, Expenses Covered by Heating and Cooling Cost/Standard Utility Allowance.  
MS 8000, OVERVIEW  
MS 8010, LOCAL OFFICE RESPONSIBILITIES  
MS 8020, REQUIRED EXPLANATIONS OF EBT  
MS 8030, SECURITY OF EBT CARDS  
MS 8040, CENTRAL OFFICE RESPONSIBILITIES  
MS 8110, TIME LIMIT FOR USING EBT BENEFITS  
MS 8120, RECONCILIATION OF BENEFITS  
MS 8130, EBT INQUIRY  
MS 8140, ACCESSING BENEFITS FOR OUT OF STATE RECIPIENTS  
MS 8200, REPLACING EBT CARD

The [Table of Contents](#) is also revised to add the following manual sections that were created in Volume II as the information in these sections is being moved from Volume I:

[MS 3600](#), Enumeration Requirements for the Food Benefits Program, is moved from Vol I MS 0651.

[MS 3610](#), Failure to Comply, is moved from Vol I MS 0653.

[MS 3620](#), SSN Applications, is moved from Vol I MS 0656.

[MS 3630](#), Good Cause Criteria, is moved from Vol I MS 0659.

[MS 3640](#), Use of SSN, is moved from Vol I MS 0662.

[MS 5210](#), Excluded Income, is revised to reflect that Green Thumb has changed its name to Experience Works. It is also revised to remove the reference to lump sum child support payments. Additionally, it is revised to add payments made under the Filipino Veterans Equity Compensation Fund.

[MS 5450](#), Dependent Care Deduction, is revised to incorporate the new Volume I manual sections.

[MS 5490](#), Heating and Cooling Cost/Standard Utility Allowance, is revised to add the SUA amount.

MS 5495 is obsolete.

[MS 6100](#), Filing An Application, is revised to incorporate information from Volume I into Volume II. It is also revised to include the right for a client to apply in any county and procedures for transferring pending cases between counties.

[MS 6102](#), Taking the Application, is moved from Vol I [MS 0095](#).

[MS 6200](#), Scheduling Appointment for Applications, is revised to remove all references to form PAFS-97.

[MS 6103](#), Who Signs the Application, is moved from Vol I [MS 0096](#).

[MS 6104](#), Who Signs the Application, is renamed Joint Processing Procedures.

[MS 6790](#), Introduction to Food Benefits Restorations, is moved from Vol I [MS 1710](#).

[MS 6792](#), Calculating Food Benefits Restorations, is moved from Vol I [MS 1718](#).

[MS 6795](#), Processing Food Benefits Restorations, is moved from Vol I [MS 1720](#) and [MS 1721](#).

[MS 7110](#), Timely Notice of Decrease, Discontinuance, is moved from Vol I [MS 0553](#).

[MS 7115](#), Exceptions to Timely Notice Period – Food Benefits, is moved from Vol I [MS 0562](#).

[MS 7200](#), Disclosure of Information – Food Benefits, is moved from Vol I [MS 0124](#).

[MS 7300](#), Case Number Assignment, is moved from Vol I [MS 0153](#).

[MS 7450](#), Case Record Content, is moved from Vol I [MS 0159](#).

[MS 7500](#), Management Evaluation/Program Access Reviews – Purpose, is moved from Vol I [MS 0530](#).

[MS 7600](#), Corrective Action Plan (CAP), is moved from Vol I [MS 0533](#).

MS 8000 – 8040 are obsolete.

MS 8110 – 8200 are obsolete.

Additionally, all the manual sections listed above are revised to change the reference from “stamp” to “benefits”.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 344  
November 1, 2009

To: All Field Staff

Subject: Incorporation of Volume I Material into Volumes IV and IVA

Volumes IV and IVA are revised to incorporate policy and procedures removed from Volume I, and to update policy and procedures with current information.

Volume IV

The [Table of Contents](#) is revised to add the following manual sections:

[MS 1100](#), Disclosure of Information;  
[MS 1150](#), Vendor Billing/Service Information;  
[MS 1205](#), Taking the Application;  
[MS 1213](#), Who Signs the Application;  
[MS 1250](#), Case Record;  
[MS 1252](#), Case Number Assignment;  
[MS 1254](#), Assignment of Caseload Codes;  
[MS 1256](#), Determining Caseload Code and County of Residence;  
[MS 1342](#), Caseload Responsibility;  
[MS 1460](#), Timely Notice of Decrease, Discontinuance;  
[MS 1530](#), KYHealth Card;  
[MS 1540](#), Nonreceipt of KYHealth Cards;  
[MS 1600](#), Managed Care;  
[MS 1602](#), Definitions;  
[MS 1604](#), KYHealth Card and Managed Care Card;  
[MS 1606](#), Worker Responsibilities/Beneficiary Groups;  
[MS 1608](#), Guaranteed Coverage;  
[MS 1700](#), Out-of-State Medicaid Inquiries;  
[MS 1710](#), Out-of-State Request for Termination of Medicaid;  
[MS 1720](#), SSI Recipients Moving to Kentucky;  
[MS 2012](#), SSN Applications;  
[MS 2014](#), Failure to Comply;  
[MS 2016](#), Enumeration Good Cause Criteria;  
[MS 2018](#), Use of the SSN;  
[MS 2035](#), Citizenship and Identity Requirements for MA Programs;  
[MS 2036](#), MA Case Processing for Citizenship Verification;  
[MS 2037](#), Criteria for Qualified Aliens;  
[MS 2038](#), Time-Limited MA Eligibility;  
[MA 2039](#), Extension of Time-Limited MA;  
[MS 2170](#), KenPAC Introduction;  
[MS 2172](#), KenPAC Provider Services;

[MS 2174](#), KenPAC Providers;  
[MS 2176](#), KenPAC Provider Assignment  
[MS 2178](#), KenPAC Provider Changes;  
[MS 2180](#), KenPAC Exempt Recipients;  
[MS 2182](#), KenPAC Special Authorization;  
[MS 2186](#), KenPAC Grievance Procedure;  
[MS 2188](#), KenPAC Hearings; and  
[MS 2190](#), Transfer of KenPAC Case Records between Counties.

[MS 1100](#), Disclosure of Medicaid Information, is created to incorporate Medicaid procedures from Vol I, [MS 0126](#).

[MS 1150](#), Vendor Billing/Service Information, is created to incorporate procedures from Vol I, [MS 0459](#). The material is revised to incorporate current referral information.

[MS 1200](#), Right to Apply, is re-named and revised to incorporate procedures from Vol I, [MS 0093](#) and [MS 0094](#). The material is revised to delete references to the PA-62 system.

[MS 1205](#), Taking the Application, is created to incorporate procedure from Vol I, [MS 0095](#).

[MS 1213](#), Who Signs the Application, is created to incorporate procedures from Vol I, [MS 0096](#). The material is revised to delete procedures for obsolete form MA-7.

[MS 1250](#), Case Record Content, is created to incorporate procedures from Vol I, [MS 0159](#). The material is revised for clarity.

[MS 1252](#), Case Number Assignment, is created to incorporate procedures from Vol. I, [MS 0153](#). The material is revised to delete references to the PA-62 system.

[MS 1254](#), Assignment of Caseload Codes, is created to incorporate procedures from Vol I, [MS 0174](#). The material is revised to reflect current caseload/security request procedures.

[MS 1256](#), Determining Caseload Code and County of Residence, is created to incorporate procedures from Vol I. [MS 0175](#). The material is revised to remove references to the PA-62 system and the Human Services Transportation Delivery system.

[MS 1342](#), Caseload Responsibility, is created to incorporate procedures from Vol I, [MS 0155](#). The material is revised for clarity.

[MS 1460](#), Timely Notice of Decrease, Discontinuance, is created to incorporate procedures from Vol I, [MS 0553](#). The material is revised to remove references to the PA-62 system and for clarity.

[MS 1470](#), Exceptions to Timely Notice Requirements, is revised to incorporate procedures from Vol I, [MS 0559](#).

[MS 1530](#), KYHealth Card, is created to incorporate procedures from Vol I, [MS 0450](#). The material is revised for clarity.

[MS 1540](#), Nonreceipt of KYHealth Cards, is created to incorporate procedures from Vol I, [MS 0456](#).

[MS 1600](#), Managed Care Enrollment, is created to incorporate procedures from Vol I, [MS 0350](#).

[MS 1602](#), Definitions, is created to incorporate procedures from Vol I, [MS 0351](#). The material is revised to reflect the current name for the Centers for Medicare and Medicaid Services (CMS).

[MS 1604](#), KYHealth Card and Managed Care Card, is created to incorporate procedures from Vol I, [MS 0352](#).

[MS 1606](#), Worker Responsibilities/Beneficiary Groups is created to incorporate procedures from Vol I, [MS 0353](#).

[MS 1608](#), Guaranteed Coverage, is created to incorporate procedures from Vol I, [MS 0355](#).

[MS 1700](#), Out-of-State Medicaid Inquiries, is created to incorporate procedures from Vol I, [MS 0462](#). The material is revised for conciseness.

[MS 1710](#), Out-of-State Request for Termination of Medicaid, is created to incorporate procedures from Vol I, [MS 0457](#). The material is revised to reflect current telephone contact referral information.

[MS 1720](#), SSI Recipients Moving to Kentucky, is created to incorporate procedures from Vol I, [MS 0458](#). The material is revised for clarity and to change the acronym OSB to MSBB.

[MS 2010](#), Enumeration, is revised to incorporate procedures from Vol I, [MS 0650](#). The material is revised to delete references to obsolete Social Security Administration (SSA) forms and procedures and the PA-62 system, and to add the SSA website address.

[MS 2012](#), SSN Applications, is created to incorporate procedures from Vol I, [MS 0656](#). The material is revised to add the SSA website address, to delete references to obsolete SSA forms and procedures, to replace E-7 references with KVETS procedures, and to reflect that SSA now requires face-to-face interviews for first time SSN applications for individuals age 12 or older.

[MS 2014](#), Failure to Comply, is created to incorporate procedures from Vol I, [MS 0653](#).

[MS 2016](#), Enumeration Good Cause Criteria, is created to incorporate procedures from Vol I, [MS 0659](#). The material is revised for clarity.

[MS 2018](#), Use of the SSN, is created to incorporate procedures from Vol. I, [MS 0662](#).

[MS 2035](#), Citizenship and Identity Requirements for MA Programs, is created to incorporate procedures from Vol I, [MS 0625](#).

[MS 2036](#), MA Case Processing for Citizenship Verification, is created to incorporate procedures from Vol. I, [MS 0626](#).



[MS 2037](#), Criteria for Qualified Aliens, is created to incorporate procedures from Vol I, [MS 2000](#). The material is revised to incorporate the Federal policy clearance that Afghan aliens who are exempt from the 5 year waiting period are subject to an 8 month waiting period.

[MS 2038](#), Time-Limited MA Eligibility, is created to incorporate procedures from Vol. I, [MS 2075](#). The material is revised to clarify that children born to mothers receiving two-month time limited coverage for the birth month are deemed eligible new borns, and that time-limited recipients are to be placed in separate cases from ongoing eligible household members.

[MS 2039](#), Extension of Time-Limited MA, is created to incorporate procedures from Vol I, [MS 2085](#).

[MS 2170](#), KenPAC Introduction, is created to incorporate procedures from Vol I, [MS 0400](#). The material is revised to reflect current telephone contact information.

[MS 2172](#), KenPAC Provider Services, is created to incorporate procedures from Vol. I, [MS 0406](#).

[MS 2174](#), KenPAC Providers, is created to incorporate procedures from Vol I, [MS 0408](#).

[MS 2176](#), KenPAC Provider Assignment, is created to incorporate procedures from Vol. I, [MS 0410](#). The material is revised to incorporate current KenPAC procedures as outlined in OM Policy Update No. 03-23 which is now obsolete.

[MS 2178](#), KenPAC Provider Changes, is created to incorporate procedures from Vol.I, [MS 0412](#). The material is revised to incorporate current KenPAC procedures as outlined in OM Policy Update No. 03-23 which is now obsolete.

[MS 2180](#), KenPAC Exempt Recipients, is created to incorporate procedures from Vol. I, [MS 0403](#). The material is revised to remove the reference to counties listed as non-KenPAC. All counties are now KenPAC.

[MS 2182](#), KenPAC Special Authorization, is created to incorporate procedures from Vol I, [MS 0414](#). The material is revised to reflect current telephone contact information and for clarity.

[MS 2184](#), KenPAC Provider Special Assignments, is created to incorporate procedures from Vol I, [MS 0416](#). The material is revised to incorporate current KenPAC procedures as outlined in OM Policy Update No. 03-23 which is now obsolete.

[MS 2186](#), KenPAC Grievance Procedure, is created to incorporate procedures from Vol I, [MS 0421](#). The material is revised to reflect current telephone, mailing address, and fax information.

[MS 2188](#), KenPAC Hearings, is created to incorporate procedures from Vol I, [MS 0422](#). The material is revised to correct punctuation.

[MS 2190](#), transfer of KenPAC Case Records between Counties, is created to incorporate procedures from Vol I, [MS 0419](#).

[MS 2896](#), Juvenile Justice Children, is revised to incorporate procedures for transferring DJJ cases previously in Vol I, [MS 0172](#).

### Volume IVA

The [Table of Contents](#) is revised to add the following manual sections:

[MS 1235](#), Disclosure of Information;  
[MS 1237](#), Vendor Billing/Service Information;  
[MS 1240](#), KYHealth Card;  
[MS 1245](#), Nonreceipt of KYHealth Cards  
[MS 1340](#), Kentucky Health Partnership Managed Care;  
[MS 1342](#), Managed Care Definitions;  
[MS 1344](#), KYHealth Card and Managed Care Card;  
[MS 1346](#), Worker Responsibilities/Beneficiary Groups;  
[MS 1348](#), Guaranteed Coverage;  
[MS 1373](#), Taking the Application;  
[MS 1378](#), Caseload Responsibility;  
[MS 1425](#), Case Number Assignment;  
[MS 1475](#), Assignment of Caseload Codes;  
[MS 1476](#), Caseload Code and County of Residence;  
[MS 1545](#), Out-of-State Inquiries;  
[MS 1547](#), SSI Recipients Moving into Kentucky;  
[MS 1549](#), Out-of-State Request for Termination of Medicaid;  
[MS 1562](#), SSN Applications;  
[MS 1564](#), Failure to Comply with Enumeration;  
[MS 1566](#), Enumeration Good Cause Criteria;  
[MS 1568](#), Use of the SSN;  
[MS 1570](#), Citizenship and Identity Requirements for MA Programs;  
[MS 1575](#), MA Case Processing for Citizenship Verification;  
[MS 1577](#), Criteria for Qualified Aliens;  
[MS 1578](#), Time-Limited Eligibility; and  
[MS 1579](#), Extension of Time-Limited MA.

[MS 1235](#), Disclosure of Medicaid Information, is created to incorporate the Medicaid procedures from Vol. I, [MS 0126](#).

[MS 1237](#), Vendor Billing/Service Information, is created to incorporate procedures from Vol. I, [MS 0459](#). The material is revised to incorporate current referral information.

[MS 1240](#), KYHealth Card, is created to incorporate procedures from Vol. I, [MS 0450](#). The material is revised for clarity.

[MS 1245](#), Nonreceipt of KYHealth Cards, is created to incorporate procedures from Vol. I, [MS 0456](#).

[MS 1340](#), Managed Care Enrollment, is created to incorporate procedures from Vol. I, [MS 0350](#).

[MS 1342](#), Managed Care Definitions, is created to incorporate procedures from Vol. I, [MS 0351](#). The material is revised to reflect the current name for the Centers for Medicare and Medicaid Services (CMS).

[MS 1344](#), KYHealth Card and Managed Care Card, is created to incorporate procedures from Vol. I, [MS 0352](#).

[MS 1346](#), Worker Responsibilities/Beneficiary Groups, is created to incorporate procedures from Vol. I, [MS 0353](#).

[MS 1348](#), Guaranteed Coverage, is created to incorporate procedures from Vol. I, [MS 0355](#).

[MS 1373](#), Taking the Application, is created to incorporate procedures from Vol. I, [MS 0095](#).

[MS 1378](#), Caseload Responsibility, is created to incorporate procedures from Vol. I, [MS 0155](#). The material is revised for clarity.

[MS 1425](#), Case Number Assignment, is created to incorporate procedures from Vol. I, [MS 0153](#). The material is revised to reflect that PA-62 procedures apply only to A, B, and D cases.

[MS 1440](#), Case Record, is revised to incorporate procedures from Vol. I, [MS 0159](#), and for clarity.

[MS 1475](#), Assignment of Caseload Codes, is created to incorporate procedures from Vol. I, [MS 0174](#). The material is revised to reflect current caseload/security request procedures.

[MS 1476](#), Determining Caseload Code and County of Residence, is created to incorporate procedures from Vol. I, [MS 0175](#). The material is revised for clarity and to delete the reference to the Human Services Transportation Delivery System.

[MS 1510](#), Notice of Adverse Action, is revised to incorporate procedures from Vol. I, [MS 0553](#).

[MS 1545](#), Out-of-State Medicaid Inquiries, is created to incorporate procedures from Vol. I, [MS 0462](#). The material is revised for clarity.

[MS 1547](#), SSI Recipients Moving into Kentucky, is created to incorporate procedures from Vol. I, [MS 0458](#). The material is revised for clarity and to replace the acronym OSB with MSBB.

[MS 1549](#), Out-of-State Request for Termination of Medicaid, is created to incorporate procedures from Vol. I, [MS 0457](#). The material is revised to reflect current telephone contact information.

[MS 1562](#), SSN Applications, is created to incorporate procedures from Vol. I, [MS 0656](#). The material is revised to add the SSA website address, to delete references to obsolete SSA forms and procedures, to replace E-7 references with KVETS procedures, and to reflect that SSA now requires face-to-face interviews for first time SSN applications for individuals age 12 or older.

[MS 1564](#), Failure to Comply with Enumeration, is created to incorporate procedures from Vol. I, [MS 0653](#).

[MS 1566](#), Enumeration Good Cause Criteria, is created to incorporate procedures from Vol. I, [MS 0659](#). The material is revised for clarity.

[MS 1568](#), Use of the SSN, is created to incorporate procedures from Vol. I, [MS 0662](#).

[MS 1570](#), Citizenship and Identity Requirements for MA Programs, is created to incorporate procedures from Vol. I, [MS 0625](#).

[MS 1575](#), MA Case Processing for Citizenship Verification, is created to incorporate procedures from Vol. I, [MS 0626](#).

[MS 1577](#), Criteria For Qualified Aliens, is created to incorporate procedures from Vol. I, [MS 2000](#). The material is revised to incorporate the Federal policy clearance that Afghan aliens who are exempt from the 5 year waiting period are subject to an 8 month waiting period.

[MS 1578](#), Time-Limited Eligibility, is created to incorporate procedures from Vol. I, [MS 2075](#). The material is revised to clarify that time-limited recipients are to be placed in separate cases from ongoing eligible household members.

[MS 1579](#), Extension of Time-Limited MA, is created to incorporate procedures from Vol. I, [MS 2085](#).

[MS 2700](#), Spend Down Medical Expense Verification, is revised to reflect the change in Medicare terminology from Explanation of Benefits (EOB) to Medicare Summary Notices (MSN).

[MS 2710](#), Spend Down Medical Expense Restrictions, is revised to reflect the change in Medicare terminology from Explanation of Benefits (EOB) to Medicare Summary Notices (MSN).

### Volume VI

The [Table of Contents](#) is revised to delete MS 1500, SSN Verification, and MS 1505, SVES, as these sections are obsolete with the issuance of this transmittal letter.

MS 1500, SSN Verification, Is obsolete as these procedures are incorporated into Vol. IV and Vol. IVA.

MS 1505, SVES, is obsolete as these procedures are no longer in effect.

### Volume X

The [Table of Contents](#) is revised to delete MS 99631 and MS 99613 as they are obsolete.

MS 99613, OMU No. 03-10, is obsolete as both Gallatin and Hancock Counties are now KenPAC.

MS 99631, OMU NO. 03-23, is obsolete as the KenPAC Provider Change procedures are incorporated into the KenPAC sections created in Vol IV.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 343  
November 1, 2009

To: All Field Staff

Subject: Volume I Reorganization

Volume I is totally revised and reorganized. Material that is out of date, no longer needed or program specific is removed and the remaining material was rewritten and condensed for clarity. Program-specific information is moved to the appropriate volume for the program. Virtually every section is rewritten and for this reason, all the sections are considered new as of 11/1/09. It is recommended that all Volume I be reviewed.

#### Volume I

The [Table of Contents](#) is totally revised with all new section titles and numbers.

The following are manual sections that have a specific change in the content.

[MS 0045](#), Archiving Case Records, is created to explain the process for archiving cases.

[MS 0090](#), Returned Mail, is created to explain procedures when returned mail is received.

[MS 0140](#), Acronyms, is added to provide definitions for acronyms used in the Operations Manual.

[MS 0210](#), Civil Rights Overview, has been revised to include the requirement to provide and explain the pamphlet, Civil Rights, and form PAFS 600, Do You Know? to all applicants for assistance. Examples of accommodation in the provision of benefits and services to individuals with a disability are added. A link to Kentucky's ADA website is added.

[MS 0260](#) is created to list the acronyms used in relation to the EBT system that were formerly in Volume II, MS 0800.

[MS 0270](#) is created to state what information regarding EBT the worker should discuss with the applicant/ client at certification interview. This information is moved from Volume II, MS 0820.

[MS 0280](#), Local Office Responsibilities, is created to state that the local office is responsible for providing households with an explanation of the EBT process. This information is moved from Volume II, MS 8010.

[MS 0290](#), Security of EBT Cards, is created to list the procedures for maintaining the security of EBT cards in the local office. This is moved from Volume II, MS 8030.

[MS 0300](#), Central Office Responsibilities, is created state the activities that Central Office staff is responsible for in regards to EBT activities. This information is moved from Volume II, MS 8040.

[MS 0380](#), Local Action on QC Findings, is created to:

- \*State form PAFS-343.1 is completed for related observations on all Adult Medicaid QC reviews;
- \* Update the forms website;
- \*Update the e-mail addresses for each program branch in the Division of Family Support.

[MS 0420](#), Online 117 Case Review Reports, updates available reports.

[MS 0450](#), The Hearing Process, is revised to state a hearing request can be sent via e-mail to the Hearings Branch inbox and to add the e-mail address. Central Office is added to the list for recommended orders to be sent to.

[MS 0460](#), The Hearing Request, is revised to add the e-mail address for the Hearings Branch in-box.

[MS 0465](#), Hearing Requests Involving Medical Review Team Determinations, is revised to remove the reference to the PA-601R, Referral for Redetermination of Incapacity/Disability, as the form is obsolete.

[MS 0510](#), Recommended Order, is revised to add the e-mail address for the Family Self Sufficiency Branch.

[MS 0545](#), Judicial Review of Appeal Board Decisions, is revised to update the name of the Cabinet.

[MS 0560](#), Documentation of Alien Status, changes the name Immigration and Naturalization Service (INS) to U.S. Citizenship and Immigration Services (USCIS).

[MS 0570](#), SAVE, changes the reference from Immigration and Naturalization Service (INS) to U.S. Citizenship and Immigration Services (USCIS). Alien Status Verification Index (ASVI) is changed to Verification Information System (VIS) and the address is updated.

[MS 0590](#), Federal Benefit Changes, updates the addresses and phone numbers to the Railroad Retirement board and the Veteran Benefits Administration; and revises the counties which are not served by the Louisville District Railroad Retirement Office.

[MS 0675](#) removes policy that states that IEVS matches are not to be resolved during the certification period for households subject to simplified reporting requirements. Per state regulations all IEVS matches are to be acted upon as appropriate.

[MS 0740](#), State On-Line Query (SOLQ), is created to outline the SOLQ process.

[MS 0750](#), SOLO Match Messages, is created to identify messages received during SOLO process.

[MS 0800](#), Employee Fraud, is revised to add reporting procedures.

[MS 0860](#), Timely/Past Due, is revised to add procedures for local office review of RDS/Document Direct Reports for pending and past due claims.

[MS 0900](#), Trafficking Benefits/Retailer Fraud, is revised to clarify that trafficking is the buying and selling of EBT cards or benefits to a retailer or another individual. Instructions are added for the disqualification of a member when a court finds the person guilty of trafficking.

[MS 1060](#), What are the Local Office Responsibilities for an Administrative Disqualification Hearing, is revised to provide the option of faxing or e-mailing form FS-79 to the Hearing Branch.

[MS 1070](#), Administrative Disqualification Hearing Process Flow Chart, is revised to change the first block to "ADH Request".

[MS 1160](#), Deferred Adjudication, is revised to state OIG is responsible for completion of form FS-111, Deferred Adjudication Disqualification Consent Agreement.

[MS 1250](#), Procedures for Referrals to Office of Inspector General, is revised to include times frames for entry of claims on the Kentucky Claims Debt (KCD) Management system and scheduling client interviews.

[MS 1330](#), Food Benefit Repayment Methods, is revised to include fax and email information for form EBT-6 and to clarify benefit reduction follows the adult household members.

[MS 1350](#), Collection Procedures for Active Cases-New Claims, is revised to reference report HRKCDR01. This report is located on RDS and contains all repayment notices issued to recipients.

[MS 1420](#), Claims and Bankruptcy, is revised to clarify the Claim Management Section's responsibilities.

[MS 1430](#), KY Tax Offset, indicates that RDS report HRKCDR06-Weekly Revenue Offsets Posted, shows offset claims cases. It clarifies that a claim may not be sent to the Revenue Cabinet for intercept if a court restitution order is on file. Debts are sent to Revenue daily.

[MS 1440](#), Treasury Offset Program, is revised to show that intercepted claims are found on RDS report HRKCDR08- Weekly TOP Offsets Posted. It clarifies that delinquent claims submitted to TOP must be more than \$25 and not under a court's restitution order.

[MS 1660](#), Kentucky Transitional Assistance Program Repayment Options incorporates OM Update No. 07-21, indicating EBT accounts can be accessed for repayment of an established claim by using form EBT-6, Claim Repayment Request.

[MS 1670](#), Voluntary Return of an Issued Check-To Avoid Claim, is revised to change the title and state that a check in a TANF program can be returned to avoid a claim.

[MS 1680](#), Voluntary Return of an Issued Check-To Pay Claim, is revised to change the title and to include that a check in a TANF program can be returned to pay a claim.

[MS 1700](#), Procedures for Refunds in Kentucky Transitional Assistance Program and Other Programs, is revised to remove references to K-TAP paper checks.

[MS 1740](#), Kinship Care Program Claims, incorporates OM Update No. 07-21, indicating EBT accounts can be accessed for repayment of an established Kinship Care claim by using the form EBT-6, Claim Repayment Request.

The following manual sections are obsolete:

MS 99553  
MS 99661  
MS 99697  
MS 99742  
MS 99764  
MS 99764A  
MS 99770

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 342  
October 1, 2009

To: All Field Staff

Subject: Revisions Concerning Member Adds, Case Changes and Supplemental Payments

Volume III

The [Table of Contents](#) is revised to delete MS 2877, Supplemental Payments and to add [MS 2180](#), Supplemental Payments.

[MS 2170](#), Request for a Member Add, is revised to clarify policy concerning the effective date of change issuing supplements for a member add.

[MS 2175](#), Processing Recertifications and Case Changes, is revised to clarify policy concerning the effective date of change when issuing supplements.

[MS 2180](#), Supplemental Payments, is created to incorporate the information formerly found in MS 2877.

MS 2877, Supplemental Payments, is obsolete and the information is moved to [MS 2180](#).

MS 3712, Post K-TAP Work Incentive Bonus, is obsolete.

Volume IIIA

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to include the amount of the transportation reimbursement in the calculation.

[MS 4250](#), Employment, is revised to incorporate the change in system entry for Ready to Work income.

[MS 4650](#), Monitoring and Tracking Participation, is revised to clarify the hours of participation tracked must not exceed the Fair Labor Standards Act (FLSA) calculation and to reiterate the importance of properly answering the question "Requirement Met" on the STEP Monthly Tracking Screen. We have discovered if this question is answered "N" and the KWP individual did meet participation, no information is sent on the federal report. We are in the process of implementing changes to STEP to remove this field from the STEP Monthly Tracking Screen and to make tracking a less cumbersome process for workers. This MS is further revised to incorporate the change in system entry for work study income. Also, the No Tracking List was removed from this section and a list of reports that may be reviewed monthly was added.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 341  
October 1, 2009

To: All Field Staff

Subject: Annual Basis of Issuance Revisions

Volume II

[MS 5200](#), Income Eligibility Scale, is revised to reflect the new income scales based on the cost-of-living adjustments.

[MS 5400](#), Deductions-General, is revised to reflect the new standard deduction amounts and maximum shelter deduction based on cost-of-living adjustments.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 340  
September 1, 2009

To: All Field Staff

Subject: Revisions to Volumes III and IIIA

This OMTL revises Volume III to include information on the "T-64" and "T-65" codes used with code "M-07", minor parent. This OMTL also changes the name of form CS-333, Facts About the Child Support Enforcement Program, and changes the name of the Division of Child Support to Child Support Enforcement. Furthermore, the Kinship Care manual material is clarified in this OMTL. This OMTL also revises Volume III and IIIA to clarify policies related to receipt of Educational Bonuses, deemed hours, and coding for JSE and JST components

Volume III

The following are revisions to the [Table of Contents](#):

- [MS 3010](#), DCS Activities, is renamed CSE Activities;
- [MS 5010](#), Individuals Served by Kinship Care, is renamed KC Application Process;
- [MS 5020](#), Available Services/Benefits to Kinship Care Cases, is renamed Available Services/Benefits for Kinship Care Cases;
- [MS 5030](#), Kinship Caregiver Responsibilities, is renamed KC Caregiver Responsibilities;
- [MS 5040](#), Children not Eligible for Kinship Care, is added;
- [MS 5050](#), Standard Filing Unit, is renamed Kinship Care Technical Requirements;
- [MS 5055](#), Permanency Requirements, is added;
- [MS 5060](#), Child Support Requirements, is renamed Child Support Requirements for Kinship Care;
- [MS 5070](#), Resource Limit, is renamed Kinship Care Income and Resource Determination;
- MS 5080, Countable Income, is deleted;
- [MS 5090](#), Benefit Payment and Income Scale, is renamed Kinship Care Benefit Payments; and
- [MS 5100](#), Authorizing Kinship Care Payments, is renamed Reapplication for Kinship Care Benefits.

[MS 2195](#), Notification Requirements, is revised to include instances when timely notification of reduction or discontinuance of benefits is not required and to clarify when KAMES produces automated notices for case actions.

[MS 2326](#), Minor Teen Parents, is revised to include information concerning the use of codes "T-64" and "T-65" for nonresponsible specified relatives not included in the case.

[MS 3000](#), Requirements for Child Support Action, is revised to change the name of Division of Child Support to Child Support Enforcement.

[MS 3010](#), CSE Activities, is revised to change the title and to change the name of Division of Child Support to Child Support Enforcement.

[MS 3020](#), Family Support Responsibilities, is revised to change the name of form CS-333, Facts About the Child Support Enforcement Program and to change the name of Division of Child Support to Child Support Enforcement.

[MS 3040](#), Noncooperation with Child Support Activities, is revised correct the reference to Child Support Enforcement, and to change form CS-333 to KIM-125.

[MS 3070](#), Good Cause Claim Process, is revised to remove the reference to form CS-333.1.

[MS 3080](#), Penalty for Noncooperation, is revised to change the name of Division of Child Support to Child Support Enforcement and to clarify the process of entering disqualifications for noncooperation.

[MS 3700](#), Educational Bonus, is revised to clarify eligibility for receipt of the bonus.

[MS 5000](#), Kinship Care Overview, is revised for clarity.

[MS 5010](#), KC Application Process, is revised to change the title and to clarify the application process.

[MS 5020](#), Available Services/Benefits to Kinship Care Cases, is renamed Available Services/Benefits for Kinship Care Cases. It is revised for clarity and to include information regarding the usage of the member ID code M02 for deemed newborns in Kinship Care cases.

[MS 5030](#), KC Caregiver Responsibilities, is revised to change the title and for clarity.

[MS 5040](#), Children Not Eligible for Kinship Care, is created to explain instances when a child is ineligible to receive Kinship Care.

[MS 5050](#), Kinship Care Technical Requirements, is revised to change the title and to clarify the technical requirements for Kinship Care.

[MS 5055](#), Permanency Requirements, is created to explain the requirement of the Kinship Care Caregiver to pursue permanent custody of the children and to clarify eligibility in cases involving joint custody.

[MS 5060](#), Child Support Requirements, is renamed Child Support Requirements for Kinship Care, and is revised for clarity.

[MS 5070](#), Kinship Care Income and Resource Determination, is revised to change the title and to include information regarding countable income.

MS 5080, Countable Income is obsolete. The information is moved to [MS 5070](#).

[MS 5090](#), Kinship Care Benefit Payments, is revised to change the title and to clarify the process for calculating pro-rated Kinship Care payments the same month of K-TAP receipt.

[MS 5100](#), Reapplication for Kinship Care Benefits, is renamed and revised to explain when a reapplication for Kinship Care benefits is appropriate.

### Volume IIIA

The [Table of Contents](#) is revised to remove MS 4240, Child Care Provider.

[MS 4005](#), KWP Participation Requirements, is revised to clarify coding of JST and JSE components.

[MS 4210](#), Vocational Educational Training, is revised to clarify the usage of the JSE component.

[MS 4217](#), Coding Vocational Educational Training, is revised to clarify the usage of the JSE component.

[MS 4230](#), Community Service, is revised to include information that providing child care for another KWP individual participating in community service is acceptable and to clarify the deeming of hours. This manual section is further revised to incorporate material from MS 4240 which is now obsolete.

MS 4240, Child Care Provider, is obsolete and the information can be found in [MS 4230](#).

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to clarify the deeming of hours.

[MS 4270](#), Work Experience Program (WEP), is revised to clarify the deeming of hours.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to clarify the day a service provider observes an approved holiday is considered an approved holiday and to include information on determining the hours an individual receives for an approved holiday.

[MS 5270](#), Approval for CCAP, is revised to clarify who can be included on form DCC-85A, Approval for Child Care Assistance and examples.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 339  
September 1, 2009

To: All Field Staff

Subject: Clean-Up of Volumes IV and IVA – PART I

This OMTL is issued to clarify and correct manual material found in Volumes IV and IVA. Volumes IV and IVA are also revised to add clarity regarding the changes made by the Department for Medicaid Services (DMS) which were effective 11/1/08, which allows "I" cases, K-CHIP cases and Adult Medicaid cases to pend for 30 days from the date of application and not 10 days.

Volume IV is also revised to update additional sections which explain that "I" cases and K-CHIP cases are allowed a 30 day grace period. This change allows **applicants/recipients an additional 30 days (after their application is denied/discontinued)** to have their application/recertification processed without having to complete a new application if all requested information is received.

Volume IVA is further revised to:

- Clarify policy regarding resources transferred to a blind or disabled child;
- Change inappropriate references to an "interested party" and replace it with the term "authorized representative"; and
- Clarify that the PASS application process is handled by the Social Security Administration (SSA).

Volume IV

[MS 1050](#), Definitions, is revised to add the word "AFDC Related MA" to the minor parent definition.

[MS 1070](#), Categories of Assistance, is revised to:

- Clarify that pregnant women whose family income exceeds the MA scale but does not exceed 185% of the Poverty Level MA Scale are in the (P3) category NOT the (P2) category;
- Remove reference of TMA under the "I" category; and
- Clarify that Child Benefit Workers (CBWs) handle all cases with children in foster care or with children going through subsidized adoptions funded by the state.

[MS 1220](#), Entitled Benefits, is reorganized for better clarity. The information regarding SSI that was in letter "A" has been moved to the bottom of the page as SSI is NOT an entitled benefit.

[MS 1320](#), Standard of Promptness, is revised to add policy regarding the 30 day grace period to process an "I" or KCHIP case without completing a new application.

[MS 1340](#), Co-Pay for Medicaid Recipients, is revised to remove information regarding Medicaid coverage and co-pays. This manual section is further revised to clarify that those recipients who have questions concerning coverage and co-pays are to be referred to the Department for Medicaid Services (DMS) at 1-800-635-2570. Workers are not to address coverage and co-pay issues with recipients.

[MS 1550](#), Recertification Procedures for Family MA and AFDC Related MA Cases, is revised to add a cross-reference to MS 2892. It is further revised for clarity.

[MS 2160](#), KCHIP Procedures, is revised to update the address where form PA-40, Third Party Liability Health Insurance is to be forwarded along with copies of the insurance policy and ID card. The new address is:

EDS  
Attn: TPL Unit  
P O Box 2107  
Frankfort, KY 40601

[MS 2200](#), MSE Requirements, is revised for clarity.

[MS 2520](#), Involuntary Absence, is revised to:

- Incorporate manual material from Volume VI, MS 1880, which is now obsolete;
- Change the wording of "penal institution" to "incarceration" for consistency; and
- Reorganize the content for better clarity.

[MS 2530](#), Voluntary Absence, is revised to incorporate material from Volume VI, MS 1890, which is now obsolete. It is further revised to reorganize some of the material for better clarity.

#### Volume IVA

The [Table of Contents](#) is revised to:

- Change the name of MS 1500 to "Scheduling and Interviewing Procedures for Recertifications";
- Change the name of MS 4530 to "QMB Recertifications";
- Change the name of MS 5210 to "Erroneous Payments"; and
- Delete MS 2500, MS 2510, MS 2520, MS 2530, MS 2540, MS 2550, 5220, 5230 and 5240.

[MS 1080](#), Ambulance Transportation, is revised to update the link.

[MS 1370](#), Application Process for Medicaid, is revised replace the term “interested party” with “authorized representative”; and change the 10 days to return requested information to 30 days;

[MS 1376](#), Out-of-State Applicants, is revised to replace “interested party” with “authorized representative.”

[MS 1420](#), Scope of Investigation, is revised to replace “interested party” with “authorized representative.”

[MS 1500](#), Recertification Procedures, is renamed. The new title is “Scheduling and Interviewing Procedures for Recertifications”.

[MS 1810](#), Blind or Disabled Child Living with Parents, is revised to update the link to MS 1750.

[MS 1820](#), Blind or Disabled Child Living Apart From Family, is revised to update the link to MS 1750.

[MS 2070](#), Exceptions to Transfer of Resources, is revised to:

- Clarify the conditions for transferring resources to a blind or disabled child. The Centers for Medicare and Medicaid Services (CMS) had issued a clarification which stated that in order for a transfer to be allowable to a blind or disabled child, the transfer must be placed in a Special Needs Trust, which required a review by the Department for Medicaid Services (DMS). **This is incorrect and it was a misinterpretation of the state statute. Per the Cabinet’s legal department and the state statute there are two kinds of transfers to a recipient’s blind or disabled child that do not incur penalties: (1) assets transferred to the child; and (2) assets transferred to a trust for the sole benefit of the child.**
- Remove the statement that “the uncompensated equity value of the transferred resource is added to other assets”. This is no longer an exception to transferred resources. The uncompensated transferred resources are no longer added to the current resources prior to determining eligibility.

MS 2280, Life Estate Interest, is obsolete as Life Estate Interest is not unearned income.

[MS 2450](#), Self-Employment, is revised for clarity.

[MS 2470](#), Excluded Income, is revised to remove non-emergency medical transportation payments as these payments are no longer made to the individual.



[MS 2490](#), Plan for Achieving Self-Support (PASS), is revised to clarify that PASS applications are processed through the Social Security Administration (SSA).

MS 2500, PASS Exclusions, is obsolete as PASS is processed through SSA.

MS 2510, PASS Requirements, is obsolete as PASS is processed through SSA.

MS 2520, PASS Determination, is obsolete as PASS is processed through SSA.

MS 2530, PASS Amendments, is obsolete as PASS is processed through SSA.

MS 2540, PASS at Recertification, is obsolete as PASS is processed through SSA.

MS 2550, Terminating a PASS, is obsolete as PASS is processed through SSA.

[MS 2850](#), SCL Child, is revised to update the link to blind and disabled child allocations.

[MS 3560](#), LTC Blind or Disabled Child, is revised to update the link to blind and disabled child allocations.

[MS 3810](#), Non-Emergency Medical Transportation Brokers, is revised to correct the region numbers and for minor wording changes.

[MS 4250](#), Application Process, is revised to replace "interested party" with "authorized representative."

[MS 4410](#), QMB Applications, is revised to change the 10 days to return requested information to 30 days.

[MS 4530](#), Interims/Recertifications, is renamed. The new title is QMB Recertifications. This manual section is further revised to replace "interested party" with "authorized representative"; and correct punctuation.

[MS 4662](#), MA Eligibility for Deceased Applicants, is revised to replace "interested party" with "authorized representative."

[MS 4930](#), Application Process for State Supplementation, is revised to replace "interested party" with "authorized representative" and change the 10 days to return requested information to 30 days.

[MS 4940](#), Recertification/Review Process & Discontinuances, is revised to state that AP, BP and DP state supplementation cases follow the same procedures as FP, GP and HP cases.

[MS 5210](#), Introduction, is renamed. The new title is Erroneous Payments. This manual section is also revised to incorporate manual material from MS 5220, 5230

and 5240. This manual section is further revised to include the time frame for the 30 day grace period for reinstatement of state supplementation cases.

MS 5220, Administrative Errors, is incorporated into MS 5210 and is now obsolete.

MS 5230, Reinstatement Procedure, is incorporated into MS 5210 and is now obsolete.

MS 5240, Misrepresentation and Fraud, is incorporated into MS 5210 and is now obsolete.

## Volume VI

The [Table of Contents](#) is revised to delete MS 1880 and MS 1890 as these are now obsolete.

MS 1880, Incarceration, is now obsolete as it is incorporated into Vol. IV, [MS 2520](#).

MS 1890, Forced Separation, is now obsolete as it is incorporated into Vol. IV, [MS 2530](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 338  
August 1, 2009

To: All Field Staff

Subject: Various Claims Revisions to Volume I

Volume I

The [Table of Contents](#) is revised to add [MS 1675](#), Claim Referrals from OIG.

The following manual sections are revised to incorporate additions, corrections, changes, and updates to policy:

- [MS 1495](#), How to Prevent a Claim, is revised to change Food Stamp Benefits to Food Benefits in E6.
- [MS 1497](#), How to Identify a Claim, is revised to add Form PAFS-88, OIG Referral Summary/Disposition, from OIG as a source by which a Claim can be identified; change Supervisory reviews to Case reviews; and to correct the name of form FS-8 from Food Stamp Simplified Reporting Requirements Handout to Food Benefits Reporting Requirements Handout.
- [MS 1507](#), Maintaining Claims Control Files, is revised to mark the case folder "Do Not Purge" once a claim has been established; change Food Stamp to "benefit", specify programs inquired using segment "J" on KAMES; add use EBT/JP Morgan website in item B2; to add item E and add or "adjudicated fraud" to item F and G.
- [MS 1515](#), Claim Procedures for Specific Food Benefits (FB) Households, is revised to change wording regarding Authorized Representative and SR policy was expanded 4/1/09 to all households.
- [MS 1525](#), Procedures for Suspected Claims, is revised to change IPV to fraud and change \$1000 to \$3000 in item F. Item H is changed to 3 and added to item G.
- [MS 1664](#), Office of inspector General (OIG) Responsibilities, is revised to add OIG may directly initiate an investigation on any assistance case for alleged fraud and/or abuse.
- [MS 1675](#), Claim Referrals from OIG, is created to indicate the action to be taken by the local office when OIG initiates an investigation.

- [MS 1680](#), Claims Management Section (CMS) Responsibilities for Collection, is revised to add that a Food Benefit claim can be terminated for collection inactivity.
- [MS 1684](#), Food Benefit (FB) Repayment Methods, is revised to change minimum benefit from \$10 to \$16 in item C4 and remove item D from the manual section. Policy in item D will be added in a later OMTL.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 337  
August 1, 2009

To: All Field Staff

Subject: Community Spouse and Family Member Standards

Volume IVA

[MS 1750](#), Introduction to Financial Eligibility, is revised to incorporate the new Long Term Care/Waiver community spouse minimum income allowance, the family member income allowance, the community spouse minimum shelter allowance in effect 7/1/09, and to correct punctuation.

[MS 3550](#), LTC Individual with Community Spouse, is revised to incorporate the new Long Term Care/Waiver community spouse minimum income allowance, the family member income allowance, the community spouse minimum shelter allowance, the telephone standard in effect 7/1/09, and to clarify wording.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 336  
July 1, 2009

To: All Field Staff

Subject: Revisions and Clarification to Various Policies in Volume II

VOLUME II

Several manual sections in OM Volume II are revised to incorporate changes.

The [Table of Contents](#) is revised to change Alien Status to Immigrant Status in MS 2900. It is also revised to delete MS 2620, Eligibility of Non-Residents; MS 2630, Representatives for Treatment Center Participants; and MS 2650, Certification Procedures.

[MS 2000](#), Definitions, is revised to clarify the definition of Entitlement.

[MS 2350](#), Criminals, is revised to remove the requirement for a written statement and the sources of verification are expanded.

[MS 2610](#), Eligibility of Treatment Center Participants, has been revised to incorporate MS 2620, Eligibility of Non-Residents, MS 2630, Representatives for Treatment Center Participants; and MS 2650, Certification Procedures.

[MS 2900](#), Alien Status, is revised to change the title from Alien Status to Immigrant Status. It is also revised to include The Afghan Allies Protection Act of 2009 which will extend the 6 month exemption to 8 months.

[MS 5650](#), Budgeting Income, is revised to clarify the use of Option 21. It is also revised to include instruction on how to resolve Computer Match for Unemployment Insurance Benefits (UIB).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 335  
7/1/09

To: All Field Staff

Subject: Revisions to Volumes III and IIIA

This OMTL revises Volume III and IIIA to incorporate information received from a federal clarification. There is language to clarify eligibility for Kentucky Works Program (KWP) exemption criteria. There is also information added to clarify case processing for K-TAP cases with zero benefits.

The following is a summary of changes to Volume III, and Volume IIIA.

Volume III

The [Table of Contents](#) is revised to change the title of [MS 2393](#) from Continuing Eligibility Based on Incapacity, to Redetermination of Incapacity.

[MS 2007](#), KWP Full Family Sanction, is revised to indicate that a K-TAP case discontinuance ends the Food Benefits penalty. A statement is added to refer workers to Volume IIIA, [MS 4780](#), Curing the KWP Sanction at Reapplication, for information concerning cases with zero benefits.

[MS 2324](#), KWP Exemption Criteria, is revised to clarify that the "U" exemption can only be used for cases with one parent in the home and the qualifying child must be a member of the K-TAP benefit group. This manual section is further revised to explain the process for coding SSI recipients in a K-TAP case. FSM-08-11-50, Member Coding Makes a Difference, issued November 3, 2008 is no longer valid due to the new R-57/R-58 SDX Check.

[MS 2379](#), Incapacity Determinations, is revised to reference the creation of form KW-6, Kentucky Works Determination, which will include the Medical Review Team's (MRT) findings for the individual's request for incapacity or good cause.

[MS 2393](#), Redetermination of Incapacity is revised to change the title and to clarify the redetermination process with MRT.

Volume IIIA

The [Table of Contents](#) is revised to:

- Obsolete MS 4260, Wage Subsidy Program (WSP) as information was previously moved to MS 4250, Employment.
- Obsolete MS 4280, Direct WEP Referrals as the information is no longer valid. Please reference [MS 4270](#), Work Experience Program (WEP) for information regarding WEP.

- MS 4720, Determining Good Cause is re-titled Sanction Exceptions and Good Cause.

[MS 4005](#), KWP Participation Requirements, is revised to clarify that only a single custodial parent with a child under age 6 is eligible for reduced hours of Kentucky Works Program (KWP) participation.

[MS 4650](#), Monitoring and Tracking Participation is revised to include information found in MS 4660, Excused Absences/Approved Holidays and the importance of the total hours not to exceed the required weekly hours.

[MS 4720](#), Sanction Exceptions and Good Cause, is revised to reference the creation of form KW-6, Kentucky Works Determination, which will include the Medical Review Team's (MRT) findings for the individual's request for good cause. There are also revisions to change language related to the MRT's findings. It is further revised to change the title.

[MS 4750](#), Applying the KWP Sanction, is revised to change FB to Food Benefits, to change the 431 MA KWP Disqualification so that it is only recognized in K-TAP cases and to detail procedures for applying the KWP sanction to cases with zero benefits.

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 334  
July 1, 2009

To: All Field Staff

Subject: Volume IIA, MS 2250

Volume IIA

[MS 2250](#), Components, is revised to update the number of hours each Work Experience Program (WEP) participant is required to volunteer due to the increase in minimum wage. Effective 7/1/09, the minimum wage is \$7.25 per hour.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 333  
June 1, 2009

To: All Field Staff

Subject: Revisions to Volumes I, III, and IIIA

Volume I

MS 1827, Retained Child Support, is revised to add instructions on how to inquire KASES for child support retained by the state.

Volume III

The Table of Contents is revised to:

- Add [MS 2005](#), TANF Benefit Tracking;
- Rename [MS 2326](#) from Teen Parents and Adult Supervised Setting to Minor Teen Parents; and
- Delete MS 2327, Teen Parents and School.

[MS 2001](#), K-TAP 60-Month Lifetime Limit, is revised for minor wording changes.

[MS 2005](#), TANF Benefit Tracking, is created to include information for exemption codes used in the tracking of the 60 month TANF lifetime limit. This section also includes information on adding out-of-state benefits received.

[MS 2130](#), Assessment Procedures, is revised for minor wording changes.

[MS 2326](#), Teen Parents and Adult Supervised Setting, is renamed Minor Teen Parents. This section is further revised for clarity and to incorporate information formerly found in MS 2327, Teen Parents and School.

MS 2327 is obsolete.

[MS 2408](#), Resource Limits, is revised to remove references to recoupment and for clarity.

[MS 2610](#), Child Support and/or Spousal Support, is revised to add instructions on how to verify child support payments collected by the state using KASES.

Volume IIIA

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is revised to change the date of the Minimum Wage Increase to July 1, 2009.

[MS 4250](#), Employment, is revised to remove the reference of WEP/COM as these are not the only other components an employed individual can use for participation. This information is moved to MS 4600, Options for KWP Activities.

[MS 4365](#), Substance Abuse Treatment, is revised for minor wording changes.

[MS 4373](#), Targeted Assessment Program (TAP), is revised for minor wording changes.

[MS 4520](#), K-TAP Transitional Assistance Agreement, is revised for minor wording changes.

[MS 4600](#), Options for KWP Activities, is revised to add that employed individuals can be referred to additional CORE and/or non-CORE activities to meet weekly hours of participation.

[MS 4770](#), Curing the KWP Sanction in Active K-TAP Cases, is revised to correct the name of form PA-33 from Verification of Transportation and Participation in Education or Training Activity to Kentucky Works Participation.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 332  
June 1, 2009

To: All Field Staff

Subject: Basic Utility Allowance/Standard Utility Allowance Revisions

VOLUME II

[MS 5495](#), Expenses Covered by Heating and Cooling Cost/Standard Utility Allowance (SUA), is revised to update the SUA amount. It is also revised to change the reference from "stamp" to "benefits".

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance (BUA), is revised to update the BUA amount. It is also revised to change the reference from "stamp" to "benefits".

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 331  
May 1, 2009

To: All Field Staff

Subject: Revisions to Volume III and IIIA

Volume III

The Table of Contents is revised to add MS 2165, Reinstatement of K-TAP Benefits, and MS 2185, Determination of MA Eligibility.

[MS 2003](#), Extension of 60-Month Lifetime Limit, is revised to incorporate the following updates:

- OM Update No. 07-13, MS 99762, 5/1/07, Work Eligible Individuals, and Errata;
- OM Update No. 06-24, MS 99743, 10/1/06, Work-Eligible Individuals for the Kentucky Works Program (KWP);
- OM Update No. 06-21, MS 99740, 10/1/06, Extension Reasons for Incapacitated Work-Eligible Individuals;
- OM Update No. 05-33, MS 99717, 10/1/05, Automatic Discontinuance of K-TAP Cases Reaching the 60-Month Lifetime Limit;
- OM Update No. 05-22, MS 99706, 6/1/05, K-TAP 60-Month Lifetime Limit Discontinuance.

[MS 2165](#), Reinstatement of K-TAP Benefits, is created to provide information formerly found in Volume I, MS 0556, Reinstatement of Benefits, and Volume VI, MS 4460, Reinstatement, concerning the reinstatement of K-TAP benefits.

[MS 2185](#), Determination of MA Eligibility, is created to provide information formerly found in MS 2078. OM Update No. 03-16, MS 99621, 4/1/03, MA KWP Disqualification, and Errata are incorporated.

Volume IIIA

The Table of Contents is revised to delete MS 4620, DES Role in Placement, MS 4630, Component Placement, MS 5310, Transportation Procedures, and MS 5315, Transportation Authorization. Also, the following sections are renamed:

- MS 4120 is now STEP Interface with KAMES;
- MS 5300 is now Transportation Authorization and Issuance Procedures; and
- MS 5320 is now Issuance of Supplemental Transportation Payments.

[MS 4100](#), KAMES Referral Process, is revised to match the new wording on the KAMES KWP/Work Registration Screen.

[MS 4120](#), STEP Interface with KAMES, is renamed KWP Spot Checks on KAMES, and is revised to incorporate changes to KAMES functionality.

[MS 4130](#), Resource Directory, is revised for clarity to incorporate OM Update No. 04-23, MS 99677, 7/1/04, New Referral Process for DVR, and to remove the instructions concerning the entry of supportive service referrals as these are no longer entered on STEP.

MS 4620 and MS 4630 are now obsolete as the Department of Employment Services (DES) is no longer involved with KWP.

[MS 4650](#), Monitoring and Tracking Participation, is revised to change the title of form PA-33 to Verification of Kentucky Works Participation.

[MS 4655](#), Verification of Participation, is revised to change the title of form PA-33 to Verification of Kentucky Works Participation, and to remove references to form PA-33A, Kentucky Works Daily Activity Log.

[MS 5300](#), Transportation Authorization and Issuance Procedures, is revised for clarity, to incorporate changes to form PA-33, and to incorporate information from MS 5310, Transportation Procedures, and MS 5315, Transportation Authorization.

MS 5310 is obsolete and the information is moved to [MS 5300](#).

MS 5315 is obsolete and the information is moved to [MS 5300](#).

[MS 5320](#), Supplementals for Transportation Expense Payments, is renamed to Issuance of Supplemental Transportation Payments, and revised for clarity.

## Volume X

The Table of Contents is revised to delete the following updates:

OM Update No. 04-23, MS 99677, 7/1/04;  
OM Update No. 05-22, MS 99706, 6/1/05;  
OM Update No. 05-33, MS 99717, 10/1/05; and  
OM Update No. 06-21, MS 99740, 10/1/06.

OM Update No. 06-24, MS 99743 is revised to remove MS 2003 from the Volume IIIA cross-references.

OM Update No. 07-13, MS 99762 and Errata are revised to remove MS 2003 from Volume IIIA cross-references.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 330  
May 1, 2009

To: All Field Staff

Subject: Volume II, MS 8030, Security of EBT Cards.

Volume II

[MS 8030](#), Security of EBT Cards, is revised to clarify the procedures for EBT card security in the local office.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 329  
April 1, 2009

To: All Field Staff

Subject: Updating of Volume III and Volume IIIA

This OMTL revises Volume III and Volume IIIA for clarity and to incorporate OM updates. In Volume III, some manual sections have been renumbered to incorporate manual sections related to the assessment process. There are significant changes to assessment, the PA-33 process and conciliation/sanction policies. Due to these revisions, it is recommended that supervisors review all material contained in this transmittal letter with staff.

Beginning April 6, 2009, the completion of an assessment for a work eligible individual is a K-TAP technical eligibility requirement. The assessment questions and K-TAP Transitional Assistance Agreement (TAA) are located on the KAMES system and completed as a part of the application process for K-TAP benefits, as well as at recertification and case change. The content of the assessment has been revised to explain mandatory and optional data and includes recommendations from field staff.

The conciliation process related to Kentucky Works activities is streamlined to eliminate forms and automate generation of form KW-204, Conciliation Notice. The sanction and cure process has been clarified in response to numerous questions from the field.

Good cause reasons for not participating in Kentucky Works activities will be entered on the KAMES system beginning April 6, 2009. Changes to Volume IIIA [MS 4720](#), Determining Good Cause, will be addressed in a later transmittal letter.

Along with these changes, Volume III, [MS 2000](#) through [MS 2209](#) are reorganized and revised for clarity and to eliminate duplication. Please review the Table of Contents with staff. It is recommended that, at a minimum, staff review Volume III, [MS 2007](#) through [MS 2209](#) and Volume IIIA, [MS 4510](#), [MS 4515](#), [MS 4520](#), [MS 4652](#), [MS 4780](#), and [MS 4790](#).

The following is a summary of changes to Volume III and Volume IIIA.

#### Volume III

The Table of Contents is revised to delete:

- MS 2000, Definitions;
- MS 2030, Worker Activity;
- MS 2032, Interview Requirements;
- MS 2035, Scheduling the Interview;



- MS 2046, Cases Transferred to Case Managers;
- MS 2060, Applications not Processed within the Standard of Promptness;
- MS 2073, Timely Action;
- MS 2074, Concurrent K-TAP and Food Stamp Changes; and
- MS 2201, Grants Less Than \$10.

The following sections have been added:

- [MS 2010](#), Safety Net;
- [MS 2125](#), Content of the Assessment;
- [MS 2130](#), Assessment Procedures;
- [MS 2135](#), Employment Assessment;
- [MS 2140](#), Education Assessment;
- [MS 2145](#), Barriers Assessment; and
- [MS 2206](#), FAD Payment Need Types.

The following sections have been assigned new numbers:

- MS 2002, K-TAP 60-Month Lifetime Limit, is now [MS 2001](#);
- MS 2010, Application/Reapplication, is now [MS 2100](#) and renamed Making an Application;
- MS 2011, Supplemental Request to Add an Individual to a K-TAP Case, is now [MS 2170](#) and renamed Request for a Member Add to a K-TAP Case;
- MS 2013, Family Alternatives Diversion, is now [MS 2200](#);
- MS 2014, FAD Eligibility Determination, is now [MS 2203](#);
- MS 2015, FAD Payments; is now [MS 2209](#);
- MS 2017, Concurrent Food Stamp and K-TAP Applications, is now [MS 2105](#) and renamed Joint Processing of K-TAP and Food Benefit Cases;
- MS 2025, Signing Application/Recertification Forms, is now [MS 2155](#);
- MS 2038, Recertification Periods, is now [MS 2150](#);
- MS 2042, Content of Interview, is now [MS 2120](#) and is renamed K-TAP Application/Recertification Interviews;
- MS 2053, Notification of Case Action, is now [MS 2195](#) and is renamed Notification Requirements;
- MS 2055, Case Action on Applications, is now [MS 2160](#);
- MS 2058, Standard of Promptness for Applications, is now [MS 2110](#) and is renamed Standard of Promptness; and
- MS 2070, Recertifications and Interim Changes, is now [MS 2175](#) and is renamed Recertifications and Case Changes.
- MS 2000 is now obsolete as the information was duplicative.

[MS 2001](#) is created to contain the information concerning the K-TAP 60-month lifetime limit formerly found in MS 2002.

MS 2002 is now obsolete and the information moved to [MS 2001](#).

[MS 2007](#) is revised to delete the information concerning curing a sanction at reapplication and adding a link to Volume IIIA, [MS 4790](#) and a link to Volume III, [MS 2010](#) for information on safety net services.

[MS 2010](#) is revised to provide information on safety net services that are provided and processed by Protection and Permanency staff. Referrals for safety net services are automated and do not require any action from the worker. The information concerning application/reapplication is moved to [MS 2100](#).

MS 2011 is obsolete and the information is moved to [MS 2170](#).

MS 2013 is obsolete and the information is moved to [MS 2200](#).

MS 2014 is obsolete and the information is moved to [MS 2203](#).

MS 2015 is obsolete and the information is moved to [MS 2209](#).

MS 2017 is obsolete and the information is moved to [MS 2105](#).

MS 2025 is obsolete and the information is moved to [MS 2155](#).

MS 2030 is obsolete as the information is no longer valid.

MS 2032 and MS 2035 are obsolete and the information is merged into [MS 2100](#).

MS 2038 is obsolete and the information is moved to [MS 2150](#).

MS 2042 is obsolete and the information is moved [MS 2120](#).

MS 2046 is obsolete as the information is no longer valid.

MS 2053 is obsolete and the information is moved to [MS 2195](#).

MS 2055 is obsolete and the information is moved to [MS 2160](#).

MS 2058 and MS 2060 are obsolete and the information is included in [MS 2110](#).

MS 2070 is obsolete and the information is moved to [MS 2175](#).

MS 2073 is obsolete and the information is moved to [MS 2110](#).

MS 2074 is obsolete and the information is moved to [MS 2175](#).

[MS 2100](#) is created to provide the information formerly found in MS 2010. Information from MS 2032 and 2035 is also added to this section.

[MS 2105](#) is created to provide the information formerly found in MS 2017. The reference to Food Stamps is changed to Food Benefits program.

[MS 2110](#) is created to provide information formerly found in MS 2058, MS 2060 and MS 2073.

[MS 2120](#) is created to provide information formerly found in MS 2042. Wording is added concerning the KWP assessment and the revised form PA-219, Kentucky Works Assessment Process, distribution of form PAFS-600 Do You Know?, and use of the EBT card to access benefits.

[MS 2125](#) is created to provide information concerning the content of the assessment process work eligible individuals must complete. The assessment consists of six categories of questions. Three categories require completion: employment, education and barriers. The other categories, general health, mental health and learning needs, are optional. The individual may choose not to answer any of the

questions, some of the questions or all of the questions. This option is to be explained to the work eligible individual and form PA 219, Kentucky Works Assessment Process provided and explained before accessing the KAMES screens and reviewing the questions with the individual.

[MS 2130](#) is created to provide instructions for the entry of assessment information on KAMES.

[MS 2135](#) is created to provide information concerning the employment part of the assessment.

[MS 2140](#) is created to provide information concerning the individual's education history and needs.

[MS 2145](#) is created to provide information concerning barriers the individual may have that could hinder participation. Barriers include but are not limited to child care, transportation, housing, domestic violence, etc.

[MS 2150](#) is created to provide information formerly found in MS 2038.

[MS 2155](#) is created to provide information formerly found in MS 2025.

[MS 2160](#) is created to provide information formerly found in MS 2055. A link to Volume IIIA, MS 4780, Curing the KWP Sanction at Reapplication is added.

[MS 2170](#) is created to provide information formerly found in MS 2011.

[MS 2175](#) is created to provide information formerly found in MS 2070.

[MS 2195](#) is created to provide information formerly found in MS 2053. A reference to DocumentDirect and examples of when a manual PA-105, Notice of Eligibility/Ineligibility, is sent are added.

[MS 2200](#) is created to provide information formerly found in MS 2013. OM Update No. 04-19, MS 99673, 7/5/04, Multiple Changes to FAD, is incorporated.

[MS 2201](#) is obsolete as the information is no longer valid with the implementation of Electronic Benefit Transfer (EBT) for K-TAP cases.

[MS 2203](#) is created to provide information formerly found in MS 2014. OM Update No. 04-19, MS 99673, 7/5/04, Multiple Changes to FAD, is incorporated.

[MS 2206](#) is created to provide information concerning the payment need types used when making FAD payments.

[MS 2209](#) is created to provide information formerly found in MS 2015. OM Update No. 04-19, MS 99673, 7/5/04, Multiple Changes to FAD, is incorporated.

[MS 3850](#), WIN Eligibility, is revised to change the WIN income limits to reflect the increase in the Federal Poverty Level (FPL). In addition, MS 3850 is incorporated to include the following clarifications:

- Deprivation is not an eligibility factor for WIN; and

- Failure to report changes timely that are not WIN eligibility factors does not affect the WIN eligibility.

[MS 3860](#), WIN Reimbursement Process, is revised to incorporate the following clarifications:

- Deprivation is not an eligibility factor for WIN; and
- If a client is on leave from a job for the majority of the month she may still be eligible for WIN. If the client must pay union dues or pay child care to keep a slot open and the client will return to the job, the client is WIN eligible.
- If a client reported that she lost her job on 7/3, and the client found another job 8/1 and reported and verified the new employment timely. The client would continue to be eligible for WIN for July.

### Volume IIIA

The [Table of Contents](#) is revised to delete:

- MS 4430, Participant Flow Overview;
- MS 4440, Participant Orientation;
- MS 4035, Department for Vocational Rehabilitation;
- MS 4580, The Transitional Assistance Agreement (TAA);

The [Table of Contents](#) is also revised to add:

- [MS 4265](#), On-The-Job Training (OJT);
- [MS 4373](#), Targeted Assessment Project (TAP);
- [MS 4510](#), Learning Needs Assessment;
- [MS 4515](#), Addressing Barriers to KWP Participation;
- [MS 4652](#), PA-33 Process;
- [MS 4780](#), Curing the KWP Sanction at Reapplication;
- [MS 4790](#), Resolving Erroneous Sanctions;

The [Table of Contents](#) is further revised to change the titles for:

- [MS 4200](#), Educational Component, is now Educational Component for Teen Parents;
- [MS 4250](#), STEP Entered Employment(SEE), is now Employment;
- [MS 4270](#), Work Experience Training Program (WEP), is now Work Experience Program (WEP);
- [MS 4350](#), Introduction to Non-Core Activities, is now Non-Core and Allowed Activities;
- [MS 4365](#), Substance Abuse Assessment, is now Substance Abuse Treatment;
- [MS 4380](#), Literacy and Adult Education/GED, is now Adult Education;
- [MS 4410](#), Case Manager Role, is now Staff Roles and Responsibilities;
- [MS 4520](#), Basic Skills Assessment is now K-TAP Transitional Assistance Agreement;
- [MS 4600](#), Referral for Component Placement, is now Options for KWP Activities;
- [MS 4750](#), Applying the KWP Penalty, is now Applying the KWP Sanction;
- [MS 4770](#), Curing the KWP Sanction, is now Curing the KWP Sanction in Active K-TAP Cases;

[MS 4005](#) is revised to indicate hours of participation and types of activities are adjusted in order to accommodate the needs of a participant with a disability. The hours of required participation in order to count in the calculation of federal participation rates are clarified.

MS 4035, Department for Vocational Rehabilitation, is obsolete and the information is incorporated in [MS 4375](#).

[MS 4200](#) is renamed and information regarding tracking of school attendance for teen parents is added.

[MS 4210](#) is revised to reference material relating to KTCTS services and verification of on-line class attendance. Verification of on-line classes is acceptable if an institution monitors and records time spent in the on-line class.

[MS 4230](#) is revised to incorporate material contained in numerous policy updates and errata. Clarification regarding acceptable Community Service providers and the required computation of permitted hours to conform to the Fair Labor Standards Act is added. The required review of placements every six months and time limits on participating in community service is removed.

[MS 4245](#) is revised to indicate the calculation of hours for participating in WEP/COM is revised when food benefits, child support, or the minimum wage changes.

[MS 4250](#) is renamed and revised to include information on all types of employment activities, how countable hours are determined for self employment, tracking, and generation of form PA 33, Verification of Kentucky Works Participation, in order to pay transportation for employed participants.

[MS 4265](#) is created to provide detailed information for On-The-Job Training referrals and contractor roles.

[MS 4270](#) is revised to incorporate material contained in numerous policy updates and errata. Clarification regarding acceptable Work Experience Program providers and the required computation of permitted hours to conform to the Fair Labor Standards Act is added. The required review of placements every six months is removed as this is completed monthly when participation is tracked. The limit to the number of months a participant can be placed in a WEP component is also removed.

[MS 4350](#) is renamed and revised to clarify supportive services are paid while an individual participates in a Non-Core or allowed activity.

[MS 4355](#) is condensed to accurately reflect the purpose of the manual section and include information on the component code used on STEP for domestic violence counseling and possible referral sources.

[MS 4365](#) is revised to remove irrelevant information, provide the codes used on STEP for substance abuse treatment, and outline the process for referral to professionals to further assess an individual's need for treatment.

[MS 4370](#) is revised to include the STEP code used for mental health counseling and indicate potential providers of this service.

[MS 4373](#) is a new section that outlines services available from the Targeted Assessment Project (TAP), and how participation in TAP activities is coded on STEP.

[MS 4375](#) is revised to incorporate currently relevant information from Policy Update 04-23 dated 7/1/04 and provide links to the Office of Vocational Rehabilitation (OVR). Information is incorporated from MS 4035, Department for Vocational Rehabilitation. A list of available services is added as well as information regarding the appropriate coding of activities in which an individual may participate while being served by OVR.

[MS 4380](#) is renamed and revised to include codes used for components on STEP, examples of activities that can count as non-core participation, and clarify that up to one hour of study time per hour of GED or adult basic education class can be considered when determining hours of participation.

[MS 4410](#) is renamed and information is added regarding the roles of Service Region staff, case managers, and Central Office staff.

MS 4430 is obsolete as the information is no longer valid.

MS 4440 is obsolete as the information is no longer valid.

[MS 4500](#) is renamed General Health Assessment and outlines the purpose of the physical health related questions located on the KAMES assessment and the appropriate case manager response to identified issues. Completion of this portion of the assessment is strictly voluntary and completed only after content of form PA-219, Kentucky Works Assessment Process, is discussed with the individual.

[MS 4505](#) is renamed Mental Health Assessment and outlines the purpose of the mental health related questions located on the KAMES assessment and the appropriate response to identified issues. Completion of this portion of the assessment is strictly voluntary and completed only after content of form PA-219, Kentucky Works Assessment Process, is discussed with the individual.

[MS 4510](#) is a new manual section, Learning Needs Assessment. It outlines the purpose of the assessment screening questions on KAMES and the appropriate response to identified issues. Completion of this portion of the assessment is strictly voluntary and completed only after content of form PA-219, Kentucky Works Assessment Process, is discussed with the individual.

[MS 4515](#) is a new section created to provide information concerning the possible resolution of barriers unrelated to physical, mental, or learning disabilities. The process for making referrals is changed. Forms KW-106, Kentucky Works Support Service Referral (participant), and KW 106A, Kentucky Works Support Service Referral (agency), are obsolete.

[MS 4520](#), Basic Skills Assessment is renamed K-TAP Transitional Assistance Agreement and revised to provide information regarding completion of the K-TAP Transitional Assistance Agreement (TAA). The TAA is completed on KAMES.

[MS 4600](#) is renamed Options for KWP activities and obsolete material relating to referrals to the Department for Employment Services is removed. The section provides suggested activities for common situations encountered by case managers.



[MS 4652](#) is created to provide information on the new PA-33 Process. Starting with the participation month of May 2009, form PA-33 is generated to the participant in the month prior to the participation month, maintained throughout the participation month by the provider in order to document ongoing attendance, and returned by the participant on or before the 5<sup>th</sup> day of the month tracking is to be entered. In addition, the STEP screen HRJAS3R6 is updated by the 7<sup>th</sup> day of the month in order to system issue form KW-204, Conciliation Notice. The KW-204 takes the place of the PA-33N, Second Notice of Transportation and Participation in Education or Training Activity, which is obsolete. The revised and renamed form PA-33, Verification of Kentucky Works Participation, generated to collect participation data for the month of May. Information regarding the transition months of April and May will be issued by FSM.

[MS 4700](#) is revised to remove references to form KW-205, Conciliation Results, which is obsolete and the Department for Employment Services. The appropriate follow-up to an individual who fails to participate or requests conciliation is issuance of form KW-204, Conciliation Notice. Information is added to include review of the KWP Assessment and accommodation efforts for individuals with a documented physical or mental disability or learning need during the conciliation process.

MS [4750](#) is renamed Applying the KWP Sanction and revised to clarify STEP entries and include information relating to a full family sanction.

[MS 4770](#) is renamed to address case situations when a sanction is cured in an active K-TAP case. Revisions include incorporation of previous clarification that discontinuance does not cure a sanction and information regarding the appropriate issuance of supplemental benefits. The time frame for participation in order to cure a sanction is changed to 15 calendar days to comply with regulatory language.

[MS 4780](#) is created to provide information concerning curing a KWP sanction at reapplication.

[MS 4790](#) is created to provide information concerning required actions when an erroneous sanction is entered on STEP.

## Volume X

[Table of Contents](#) is revised to remove the following manual sections as they are now obsolete:

OM Upd. No. 04-15, MS 99669

OM Upd. No. 04-19, MS 99673

OM Upd. No. 06-22, MS 99741

OM Upd and Errata No. 06-25, MS 99744

OM Upd. No. 05-26, MS 99710

OM Upd. No. 03-16, [MS 99621](#) and the [Errata](#) are revised to remove MS 2078 from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 04-09, [MS 99661](#) is revised to remove MS 2055 and MS 2060 from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 04-16, [MS 99670](#) is revised to remove MS 4000 and MS 4600 from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 04-23, [MS 99677](#) is revised to remove MS 4035 and MS 4375 from the cross-reference. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 04-26, [MS 99680](#) is revised to remove MS 2017 and MS 2038 from the cross-References. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 05-04, [MS 99688](#) is revised to remove MS 2011 from the cross-references . The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 05-13, [MS 99697](#) is revised to remove MS 2010, MS 2810, MS 2740, MS 4500 and MS 4595 from the cross-references.

OM Upd. No. 05-22, [MS 99706](#) is revised to remove MS 0577 and MS 2002 from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 05-33, [MS 99717](#) is revised to remove MS 2002, from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 06-24, [MS 99743](#) is revised to remove MS 2322, MS 2324, MS 2325, MS 4000, and MS 4600 from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd, No 06-26, [MS 99745](#) and [Errata](#) are revised to remove MS 4210, MS 4230, MS 4270 from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 07-11, [MS 99760](#) is revised to remove MS 4230 and MS 4270, from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 07-13, [MS 99762](#) and [Errata](#) are revised to remove MS 4000, MS 4600 MS 2322, MS 2324 and MS 2325 from the cross-reference. The remainder of the update will be incorporated with future OMTL.

OM Upd. No. 07-20, [MS 99769](#) are revised to remove MS 2014, from the cross-references. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No 07-21, [MS 99770](#) is revised to remove MS 2011 and MS 2201 from the Cross-references. The remainder of the update will be incorporated with a future OMTL.



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 328  
April 1, 2009

To: All Field Staff

Subject: 2009 Federal Poverty Level Guidelines (FPL), Money Follows the Person (MFP), KCHIP, QIT Revisions and Miscellaneous Changes to Volumes IV and IVA.

This OMTL is issued to:

- Revise the manual sections affected by changes in the poverty guidelines as published in the Federal Register for 2009;
- Incorporate policy regarding the new "Money Follows the Person" (MFP) program implemented by the Department for Medicaid Services (DMS);
- Incorporate policy into the manual sections that were left out from the first OMTL issued regarding the K-CHIP changes effective 11/1/08;
- Revise Qualifying Income Trust (QIT) Procedures and
- Make miscellaneous changes to manual sections in Volume IV and Volume IVA.

Volume IV

The [Table of Contents](#) is revised to move MS 2872, Juvenile Justice Children, to [MS 2896](#).

[MS 1070](#), Categories of Assistance, is revised to clarify that pregnant women whose family income exceeds the MA scale but does not exceed the 185% of the Poverty Level MA Scale fall into the (P3) category NOT the (P2) category.

[MS 1320](#), Standard of Promptness, is revised to delete the cross reference to the policy clarification titled "Standards of Promptness" as the information found in the clarification is the same content found in the manual section. This manual section is further revised to add the 30 day grace period to process an "I" or KCHIP case without completing a new application.

[MS 1550](#), Recertification Procedures for Family MA and AFDC Related MA Cases, is revised to add a cross-reference to MS 2892.

[MS 2200](#), MSE Requirements, is revised to remove KASES referral requirement for "I" and KCHIP cases as this is only completed at client's requests.

[MS 2570](#), Incapacity, is revised to:

- Remove the reference to Volume III, MS 2377 as the regulations considered when making a field determination of incapacity differ from the K-TAP regulations;
- Expand on the procedures that workers follow when making a field

determination of incapacity;

- Explain that form PA-601R, Referral for Redetermination of Incapacity/Disability, is used when sending a case for redetermination; and
- Explain that workers use form PA-601T, Sup. A, Supplement to Referral for Determination or Redetermination of Incapacity/Disability, when additional information from doctors or facilities is needed.

[MS 2580](#), MRT Referral Procedures, and [MS 2590](#), Incapacity Case Treatment, are revised to explain that form PA-601R, Referral for Redetermination of Incapacity/Disability, is used when sending a case for redetermination. It is further revised to explain that workers are to use form PA-601T, Sup. A, Supplement to Referral for Determination or Redetermination of Incapacity/Disability, when additional information from doctors or facilities is needed.

[MS 2630](#), Eligibility of Foster Care Child, is revised to add instructions for private non-profit adoptions.

[MS 2650](#), Out-of-State Adoptions, is revised to add the following to the list of states which have adopted the Interstate Compact on Adoption and Medical Assistance (ICAMA): District of Columbia, New York, Pennsylvania, Tennessee and Vermont.

[MS 2800](#), Postpartum Eligibility, and [MS 2850](#), Newborn Children, are revised to reflect the Children's Health Insurance Program Reauthorization Act of 2009 (H.R. 2), effective April 1, 2009. The act changed the definition of a deemed eligible newborn. It is no longer required that the child remain in the household of the mother in order to be categorized as a deemed eligible through the month of the first birthday. This change removes the necessity of a new application. The only requirement for deemed eligibility is that the mother be a Medicaid recipient for the month of the child's birth.

MS 2872, Juvenile Justice Children, is moved to [MS 2896](#).

[MS 2880](#), KCHIP 3/P7 Premium Payment, is revised to explain that if a family states they have contacted the PPC and they state that no premium payment is owed, the FSSV is to delete the 461 disqualifications for KCHIP 3/P7 children based on the client's statement. The worker explains to the family that the disqualification is removed but if any payment is still owed, the case will not approve.

[MS 2890](#), Mail-In Applications for "I" and KCHIP Categories, is revised to remove the statement that an "N" will automatically upload to the question "IS A REFERRAL TO DCSE/MSE REQUIRED?". This is a worker completed question based on the client's request for MSE referral to be completed.

[MS 2896](#), Juvenile Justice Children is renumbered.

[MS 3250](#), Introduction to Resources, is revised to correct the appropriate resource limit limits for all Family MA and AFDC Related MA from except for "I" cases. The correct limit is \$2,000.

[MS 3450](#), Income Scales, is revised to incorporate the new federal poverty level (FPL) income scales which are effective 4/1/09. This manual section is further revised to reorganize the "I" category and K-CHIP income scales and to clarify that the system explores eligibility in the upper income categories for cases with total countable income greater than the initial 100% income scale.

[MS 3540](#), Contributions, and [MS 3590](#), Other Unearned Income, are revised to state that any portion of military combat pay made available to a Family MA household is countable unearned income.

[MS 3880](#), MA Dependent Care, is revised to change the wording to reflect KAMES syntax when referencing the age of a child for whom a dependent care deduction is allowed. It is further revised to explain that the deduction is NOT allowed for an IM child who is over the age of 13. The deduction is allowed through the month of the child's 14<sup>th</sup> birthday. Once the child is 14 the deduction is no longer allowed, unless the child is identified as special needs.

## Volume IVA

The [Table of Contents](#) is revised to add MS 3715, Money Follows the Person (MFP).

[MS 2470](#), Excluded Income, is revised to state that for Adult Medical Assistance, military combat pay is excluded.

[MS 3715](#), Money Follows the Person (MFP), is created to incorporate policy for the new program implemented by the Department for Medicaid Services (DMS). The program is designed to provide transitional assistance to individuals who are currently in a nursing facility but have the ability to reside in the community if certain services are provided. Recipients are identified as eligible to participate in this program by DMS MFP staff. DMS MFP staff manages MFP services provided to these recipients. Also included are procedural instructions for use by DCBS staff when a recipient is admitted or discharged from the program.

[MS 4330](#), Financial Eligibility, is revised to change the QDWI income scales to reflect the increase in the FPL.

[MS 4470](#), QMB Income Scale, is revised to change the QMB income scales to reflect the increase in the FPL.

[MS 4575](#), SLMB Income, is revised to change the SLMB income scales to reflect the increase in the FPL.

[MS 4600](#), Medicare Qualified Individuals Group 1 (QI1), is revised to change the QI1 income scales to reflect the increase in the FPL.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 327  
April 1, 2009

To: All Field Staff

Subject: Revisions Regarding 12-Month Review and Simplified Reporting  
Expansion And Miscellaneous Changes

Several manual sections in OM Volume II are revised as the result of the 2008 Farm Bill changes which expand Simplified Reporting (SR) requirements to all households. As a result, the 12-month review process is obsolete. Also, all references to "stamps" are revised to state "benefits".

VOLUME II

Table of Contents is revised to remove MS 6700, MS 6747, MS 6762, MS 6790 and MS 6800.

[MS 2900](#), Alien Status, is revised to include effective date and through dates for Afghani and Iraqi aliens.

[MS 3220](#), SAFE Allotments, is revised to reflect the new allotment amounts implemented due to the American Recovery and Reinvestment Act (ARRA) of 2009.

[MS 5050](#), Countable Resources, is revised to remove that the equity value of tobacco pounds is a countable resource.

[MS 5060](#), Resources Which May or May Not Be Counted, is revised to remove the section on S Corporations.

[MS 5310](#), Special Considerations, is revised to clarify S corporation income.

[MS 5650](#), Budgeting Income, is revised to instruct staff to use Option 21, Benefits Summary Inquiry, off of KASES to verify child support. It is further revised to clarify policy on student income.

[MS 5800](#), Calculation of Allotment, is revised as a result of the ARRA of 2009 to reflect the revised maximum food benefit allotment amounts and the new minimum allotment.

[MS 6330](#), Criteria for Out-Of-Office Interview, is revised to state that workers should conduct out-of-office interviews when a face-to-face interview creates a hardship for the household.

[MS 6600](#), Assigning Certification Periods, is revised to state that households with all elderly or disabled members are certified for 12 months and to remove the reference to the 12-month review process. It is further revised to change the reference from "stamps" to "benefits".

[MS 6610](#), Shortening Certification Periods, is revised to state that certification periods may only be shortened due to a change in a household's category of SR.

MS 6700, Households Requirements For Reporting Changes, is obsolete as all households are only subject to SR reporting requirements.

[MS 6705](#), Simplified Reporting Households, is revised to clarify that these are the reporting requirements for **ALL** households as all households are now SR.

[MS 6707](#), Simplified Reporting-Acting On Changes, is revised to remove the references to SR and "stamps".

[MS 6710](#), Reporting Requirements For Pending Applications, is revised for clarity.

[MS 6720](#), Household Change Reporting Form, is revised to remove the reference to the 12-month review as this process is no longer applicable.

[MS 6725](#), Changes Reported On The Toll-Free 800 Number, is revised to changes references from "stamps" to "benefits". It is also revised to change the reference to the Operations Support Branch to Nutrition Assistance and Accountability Branch. It is further revised to update the procedures for changes that are reported on the toll-free line.

[MS 6730](#), Failure To Report Changes, is revised to refer to MS 6705 for reporting requirements.

[MS 6735](#), Worker Requirements For Acting On Changes In Medical Expenses, is revised to incorporate Om. Upd. No. 06-08 which states if verification of a change in medical expenses which would increase benefits is not verified within 10 days, the system will revert back to allowing the previously verified expense. If a change in medical expenses which would decrease benefits is not verified within 10 days, the will apply the client stated expense and take action to decrease benefits. It is further revised to remove the reference to the 12-month review and to update the example.

[MS 6737](#), Worker Requirement For Acting On Changes In Fleeing Felon Status, is revised to remove the reference to the 12-month review.

[MS 6740](#), Worker Requirements For Acting On All Other Changes, is revised to incorporate Om. Upd. No. 06-08 which states if verification of a change which would increase benefits is not returned within 10 days, the system will revert back to allowing the previously verified deduction. If verification of a change which would decrease benefits is not returned within 10 days, the system will apply the client stated amount and take action to decrease benefits. It is also revised to change the reference to Operations Support Branch to Nutrition Assistance and Accountability Branch. It is further revised to change the reference from coupon to benefit and for clarity.

[MS 6747](#), Worker Requirement For Acting On Changes reported During The 12-Month Review, is obsolete as there are no longer 12-month reviews.

[MS 6750](#), Acting on Changes which Increase Benefits, is revised to incorporate Om. Upd. No. 06-08 which states if verification of a change which would increase benefits

is not returned within 10 days, the system will revert back to allowing the previously verified deduction. If verification of a change which would decrease benefits is not returned within 10 days, the system will apply the client stated amount and take action to decrease benefits. It is further revised to remove the references to non-SR as this no longer applies as all households are SR and to change the references from "stamps" to "benefits".

[MS 6760](#), Acting On Changes Which Decrease Benefits, is revised to remove references to non-SR as this no longer applies as all households are SR. The reference to reporting/verifying shelter expenses when reporting a change of address is removed as this no longer applies.

MS 6762, Acting on Changes in Household Composition, is obsolete as it is incorporated into MS 6740.

[MS 6765](#), Acting On Changes of Address, is revised to remove the references to non-SR as all households are SR and to remove the reference to reporting/verifying shelter expenses when reporting/verifying a change of address as this no longer applies.

MS 6790, PA Changes With Known Effect On Food Stamp Case, and MS 6800, PA Changes With Unknown Effect On Food Stamp Case, are obsolete as the system automatically takes the necessary action.

## VOLUME X

Table of Contents is revised to remove MS 99727.

MS 99727, Changes In Deductions Which Increase Food Stamp Benefits, is obsolete as is incorporated into the appropriate manual sections.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 326  
April 1, 2009

To: All Field Staff

Subject: Volume IIA Reorganization/Transportation Change and ETP/ABAWD  
Waiver Counties.

This OMTL is issued to reorganize and/or revise Volume IIA for clarity, and to remove duplicate policy. Effective 4/1/09, transportation will be paid in advance based on anticipated expenses an ABAWD expects to incur while participating in ETP. It is no longer necessary to issue reimbursements once participation has ended. Also effective 4/6/09, a waiver is approved for all counties from ETP participation requirements. Furthermore, effective 4/1/09, ABAWD volunteers will be able to participate in ETP selected counties.

Volume IIA

The [Table of Contents](#) is revised to add [MS 2500](#), Procedures for Non-Exempt ABAWD.

The [Table of Contents](#) is also revised to change the following titles:

[MS 2550](#) from Good Cause to Good Cause Determination;

[MS 3500](#) from General Reimbursement Procedures to Transportation Payment Procedures; and

[MS 3600](#) from Authorizing Reimbursements to Authorizing Transportation Payments.

The [Table of Contents](#) is further revised to renumber the following manual sections:

- [MS 2000](#), ABAWD Overview
- [MS 2100](#), ABAWD Work Requirements
- [MS 2105](#), ABAWD Exemptions
- [MS 2200](#), Target Codes
- [MS 2250](#), Components
- [MS 2300](#), ABAWD Tracking
- [MS 2350](#), Changes in ABAWD Status
- [MS 2355](#), Returning ABAWD
- [MS 2450](#), Out of State ABAWD
- [MS 2550](#), Good Cause Determination
- [MS 2600](#), Transportation "Excessive Expense" Good Cause Exemption
- [MS 2700](#), ABAWD Noncompliance
- [MS 2750](#), ABAWD Bonus Months
- [MS 3500](#), Transportation Payment Procedures
- [MS 3600](#), Authorizing Transportation Payments
- [MS 3700](#), Conciliation Due to Noncompliance
- [MS 3800](#), Imposing ETP Disqualifications
- [MS 3850](#), ET Conciliation Met



- [MS 3900](#), Curing Disqualifications
- [MS 4000](#), Compliance Referrals
- [MS 4205](#), Voluntary Quit/Reduction of Work Hours Identification
- [MS 4250](#), Good Cause for Voluntary Quit/Reduction of Work Hours
- [MS 4300](#), Evaluating Acceptable Employment
- [MS 4350](#), Noncompliance With Other Work Programs
- [MS 4450](#), Imposing Work Related Disqualifications
- [MS 4500](#), Ending Work Related Disqualifications
- [MS 4550](#), Penalties for Noncompliance
- [MS 4800](#), Move From County to County
- [MS 4850](#), Reinstating After Erroneous ETP Disqualification
- [MS 4900](#), Spot Checks and Reports

The [Table of Contents](#) is also revised to obsolete the following manual sections:

- MS 2050, Noncompliance Overview
- MS 2150, Good Cause for Noncompliance
- MS 2400, Work Related Disqualifications
- MS 2405, FS Work Requirement Disqualifications
- MS 2455, Imposing 316 Disqualifications
- MS 3200, FSETP Worker Responsibilities
- MS 3350, Reimbursements
- MS 4050, FSETP Worker Conciliation
- MS 4100, FSETP Worker Good Cause Determination
- MS 4200, Ending ETP Disqualifications
- MS 6100, Regaining ABAWD Eligibility
- MS 8000, ETP Referral Overview
- MS 8050, FSETP Worker Responsibility
- MS 8060, Appointment Scheduling
- MS 8100, ABAWD Up-Front Assessment
- MS 8110, ABAWD Assessment Interviews
- MS 8125, Job Search Follow-Up Interview
- MS 8150, Follow-Up Reviews
- MS 8175, Appointment Interview No Shows
- MS 8420, Cure and Compliant Referrals-General Procedures
- MS 8450, Cure Activity
- MS 8750, Authorizing Reimbursements When Good Cause Exists
- MS 8755, Authorizing Reimbursements When Good Cause Does Not Exist
- MS 8760, Authorizing Reimbursements Due to FS Status Changes
- MS 8800, FSETP Case Transfers Between ABAWD/ETP Counties
- MS 8850, FSETP Case Transfers to Non ABAWD/ETP Counties
- MS 8900, Hearing Rights

The following Manual Sections from Volume IIA are obsolete:

- MS 2050 is incorporated into [MS 4550](#).
- MS 2150 is incorporated into [MS 2550](#).
- MS 2400 is incorporated into [MS 4450](#) and [MS 4500](#).
- MS 2405 is incorporated into [MS 4550](#).
- MS 2455 is incorporated into [MS 4350](#).
- MS 3200, MS 8050, MS 8060, MS 8100, MS 8110, MS 8125 and MS 8150 are incorporated into [MS 2500](#).
- MS 3350 is incorporated into [MS 3500](#).
- MS 4050 and MS 8175 are incorporated into [MS 3700](#).



- MS 4100 is incorporated into [MS 2550](#).
- MS 4200, MS 8420 and MS 8450 are incorporated into [MS 3900](#).
- MS 6100 is incorporated into [MS 4000](#).
- MS 8000 is incorporated into [MS 3100](#).
- MS 8750, MS 8755 and MS 8760 as it is no longer necessary to issue reimbursements to an individual who is placed in good cause, or when the status changes, as payments are now issued in advance.
- MS 8800 and MS 8850 are incorporated into [MS 4800](#).
- MS 8900 as this policy is located in Volume I, [MS 0550](#).

[MS 1050](#), Frequently Used Terms, is revised to remove the acronyms that are no longer necessary. It is also revised to add the acronym NAAB.

[MS 1100](#), Overview, is revised to remove policy that is not applicable to this manual section and to remove an unnecessary link.

[MS 1550](#), Work Registration Procedures, is revised to remove duplicate policy, and to move policy concerning target codes to [MS 2200](#).

[MS 1555](#), FS Work Registration for K-TAP Applicants, is revised for clarity.

[MS 1650](#), Exemptions, is revised for clarity and to remove policy that is not applicable to this MS.

[MS 1700](#), Loss of Exemption, is revised in regard to reporting requirements as all households are now simplified reporting. It is also revised to include the title of forms PAFS-203 and FSET-101. It is further revised to remove an unnecessary link.

[MS 1705](#), Loss of Exemption for 18-Year-Olds, is revised to change “stamp” to “benefits”.

[MS 1750](#), Change in Exemption, is revised to remove duplicate policy. It is also revised to move policy concerning disqualifications to [MS 4500](#).

[MS 2000](#), ABAWD Overview, is revised to list the active ABAWD counties and to state the counties change periodically, not annually. It is also revised to define compliant and noncompliant months, and when a bonus month can be received. It is further revised to change the number from MS 5050 to [MS 2000](#).

[MS 2100](#), ABAWD Work Requirements, is revised to state when an individual works for rent, instead of paying (in-kind), meets ABAWD requirements. It is also revised to clarify that noncompliant (BA) months should not be confused with months in which an ABAWD is disqualified. It is further revised to change the number from MS 5550 to [MS 2100](#).

[MS 2105](#), ABAWD Exemptions, is revised to change the number from MS 5600 to [MS 2105](#).

[MS 2200](#), Target Codes, is revised to define the target codes and to state they must be entered correctly in all counties. It is also revised to incorporate OM Upd. No. 06-28, MS 99747, dated 11/1/06, and to remove duplicate policy. It is further revised to change the number from MS 1600 to [MS 2200](#).

[MS 2250](#), Components, is revised to change the number from MS 8200 to [MS 2250](#).

[MS 2300](#), ABAWD Tracking, is revised to state tracking does not include months in which a member is disqualified. It is also revised for clarity, to remove duplicate policy, and to add a reference to [MS 2750](#) concerning bonus months. It is further revised to change the number from MS 5650 to [MS 2300](#).

[MS 2350](#), Changes in ABAWD Status, is revised to state a reduction in work hours to less than 20 weekly can change the status. It is also revised to state tracking must be reviewed when a member is on the RDS report, HRKMR11, ABAWDS DETAIL LISTING, and to change the dates in the example. It is further revised to change the number from MS 5700 to [MS 2350](#).

[MS 2355](#), Returning ABAWD, is revised to clarify the introductory sentence, and to remove a link. It is also revised to change the number from MS 5705 to [MS 2355](#).

[MS 2450](#), Out of State ABAWD, is revised to change the number from MS 5750 to [MS 2450](#).

[MS 2500](#), Procedures for Non-Exempt ABAWD, is created to outline the procedures when a non-exempt ABAWD is identified.

[MS 2550](#), Good Cause Determination, is revised to incorporate policy from MS 2150 and MS 4100 which are obsolete. It is also revised to change the title and the number from MS 8600 to [MS 2550](#).

[MS 2600](#), Transportation "Excessive Expense" Good Cause Exemption, is revised to change "reimbursement" to "transportation". It is also revised to remove duplicate policy and OM Upd. No. 06-28, MS 99747, 11/1/06. It is further revised to change the number from MS 8605 to [MS 2600](#).

[MS 2700](#), ABAWD Noncompliance, is revised to state that a noncompliant (BA) month does not include when an ABAWD is disqualified for not meeting the work requirement. It is also revised to change the number from MS 6050 to [MS 2700](#).

[MS 2750](#), ABAWD Bonus Months, is revised to change the dates in the example. It is also revised to change the number from MS 6150 to [MS 2750](#).

[MS 3050](#), ETP Overview, is revised to include an explanation of the program. It is also revised to move policy listing the active ABAWD counties to [MS 2000](#). It is further revised to remove duplicate policy and OM Upd. No. 06-14, MS 99733, 5/1/06.

[MS 3100](#), ETP Referrals, is revised to remove links. It is also revised to incorporate policy from MS 8000 which is obsolete.

[MS 3150](#), Volunteers, is revised to state non-exempt ABAWDS can volunteer for ETP and the procedures to follow.

[MS 3300](#), EZ Inquiry, is revised to state EZ is the computer program to use for inquiry to access ETP history. It is also revised to remove unnecessary steps for accessing EZ. It is further revised to change the acronym PARB to NAAB.

[MS 3400](#), Reporting Changes, is revised to remove the list of spot checks, as this list is located in [MS 4900](#). It is also revised to reference [MS 4900](#) for these spot checks. It is further revised to state the title of form PAFS-628, Exchange of Information.

[MS 3500](#), Transportation Payment Procedures, is revised to state transportation is now paid in advance based on anticipated expenses, as long as the ABAWD is participating in ETP, and to include applicable forms for the payment request. It is also revised to state it is no longer necessary to issue reimbursements once participation has ended. It is further revised to incorporate policy from MS 3350, which is obsolete, to change the title and the number from MS 8700 to [MS 3500](#), and to incorporate OM Upd. 06-28, MS 99747, 11/1/06.

[MS 3600](#), Authorizing Transportation Payments, is revised to state the system and action codes to use for payment entries, and that 30 days has to lapse between payments. It is also revised to remove policy that is no longer applicable since payments will now be issued in advance. It is further revised to change the title, and number from MS 8720 to [MS 3600](#), and to incorporate OM Upd. 06-28, MS 99747, 11/1/06.

[MS 3700](#), Conciliation Due to Noncompliance, is revised to incorporate policy from MS 4050 and MS 8175, which are obsolete. It is also revised for clarity. It is further revised to change the number from MS 8300 to [MS 3700](#).

[MS 3800](#), Imposing ETP Disqualifications, is revised to state previous tracking must be changed to reflect noncompliant (BA) months once a disqualification is applied appropriately. It is also revised for clarity, and to remove a link. It is further revised to change the number from MS 4150 to [MS 3800](#).

[MS 3850](#), ET Conciliation Met, is revised to clarify the procedures when spot check "ET Conciliation Met" is received. It is also revised to change the number from MS 8505 to [MS 3850](#).

[MS 3900](#), Curing Disqualifications, is revised to clarify the process when curing disqualifications. It is also revised to incorporate policy from MS 4200, MS 8420 and MS 8450, which are obsolete. It is further revised to change the number from MS 8400 to [MS 3900](#).

[MS 4000](#), Compliance Referrals, is revised to clarify the process for compliance when an ABAWD has accumulated 3 noncompliant (BA) months, at the same time as serving a work related disqualification. It is also revised to incorporate policy from MS 6100, which is obsolete. It is further revised to change the number from MS 8500 to [MS 4000](#).

[MS 4205](#), Voluntary Quit/Reduction of Work Hours Identification, is revised to state the member does not have to comply before eligibility can be redetermined. It is also revised for clarity, and to remove unnecessary links. It is further revised to change the number from MS 2250 to [MS 4205](#).

[MS 4250](#), Good Cause for Voluntary Quit/Reduction of Work Hours, is revised to state good cause may include some circumstances as listed in MS 2550. It is also revised for clarity, and to remove unnecessary links. It is further revised to change the number from MS 2300 to [MS 4250](#).

[MS 4300](#), Evaluating Acceptable Employment, is revised to add an opening paragraph. It is also revised to change the number from MS 2350 to [MS 4300](#).

[MS 4350](#), Noncompliance With Other Work Programs, is revised to incorporate policy from MS 2455, which is obsolete. It is also revised to remove policy concerning child support disqualifications as this policy is located in Volume II, [MS 2370](#). It is further revised to change the number from MS 2200 to [MS 4350](#).

[MS 4450](#), Imposing Work Related Disqualifications, is revised to incorporate policy from MS 2400, which is obsolete. It is also revised to state when a disqualification would not be imposed prospectively, and to remove the example. It is further revised to change the number from MS 2450 to [MS 4450](#).

[MS 4500](#), Ending Work Related Disqualifications, is revised to incorporate policy from [MS 1750](#) and MS 2400. It is also revised to clarify when a supplemental is appropriate. It is further revised to change the number from MS 2500 to [MS 4500](#).

[MS 4550](#), Penalties for Noncompliance, is revised to incorporate policy from MS 2050 and MS 2405, which are obsolete. It is also revised to remove policy that is not applicable to this MS. It is further revised to change the number from MS 2100 to [MS 4550](#).

[MS 4800](#), Move From County to County, is revised to incorporate policy from MS 8800 and MS 8850, which are obsolete. It is also revised for clarity and to remove links. It is further revised to change the number from MS 3450 to [MS 4800](#).

[MS 4850](#), Reinstating After Erroneous ETP Disqualification, is revised to change the number from MS 8305 to [MS 4850](#).

[MS 4900](#), Spot Checks and Reports, is revised to add spot checks generated from the ETP system and KAMES that were not listed. It is also revised to update the report names. It is further revised to change the number from MS 8950 to [MS 4900](#).

## VOLUME X

The [Table of Contents](#) is revised to obsolete MS 99733 and MS 99747.

MS 99733, Additional ETP Counties-May 2006, is obsolete as it is outdated.

MS 99747, Change in Employment and Training Program/Able-Bodied Adults Without Dependents (ETP/ABAWD) Reimbursement, is obsolete as it is incorporated into the appropriate manual sections.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 325  
February 1, 2009

To: All Field Staff

Subject: Updating of Volume III and Volume IIIA

This OMTL revises Volume III and Volume IIIA for clarity and to incorporate OM updates. Due to these revisions, it is recommended that supervisors review the material with their staff.

Volume III

[MS 2510](#), Excluded Income, is revised to include educational loans, grants and scholarships as excluded income.

[MS 3665](#), Unemployment Requirements, is revised to state an unemployed parent K-TAP case is discontinued if the qualifying parent does not cooperate with KWP requirements. When a case is discontinued due to failure to participate in Kentucky Works activities, the thirty day ineligibility period starts with the day form KW-204, Conciliation Contact, is sent to the family.

Volume IIIA

The [Table of Contents](#) is revised to delete:

- MS 4070, Protection and Permanency Responsibilities;
- MS 4310-4349, Subchapter, Other Components;
- MS 4320, HUD's Family Self-Sufficiency Program;
- MS 4335, Community Ventures Corporation (CVC) Component;
- MS 4360, Life Skills Training;
- MS 5360, Supportive Services Payment.

The [Table of Contents](#) is revised to add:

- [MS 4005](#), KWP Participation Requirements;

The [Table of Contents](#) is revised to change the titles for:

- [MS 4000](#) to Kentucky Works Program (KWP);
- [MS 4300](#) to Accident Insurance for Work Experience and Community Service Placements;
- [MS 5350](#), to Overview of Supportive Services;
- [MS 5355](#), to Supportive Services Items Subject to \$400 Limit;
- [MS 5370](#), to Summer School Tuition Payments; and
- [MS 5380](#), to Remedial Health Goods/Services

[MS 4000](#), Kentucky Works Program (KWP), is revised to remove information regarding KWP participation requirements. This information is now in MS 4005.

[MS 4005](#), KWP Participation Requirements, is created to provide clarity on KWP participation requirements. Pertinent information from OM Update No. 04-16, MS 99670, 5/1/04, UP Countable Participation; OM Update No. 06-24, MS 99743, 10/1/06, Work Eligible Individuals for the Kentucky Works Program (KWP); OM Update No. 07-13, MS 99762, 5/1/07, Work Eligible Individuals, and Errata is incorporated.

[MS 4070](#), Protection and Permanency Responsibilities, is obsolete as the information is no longer needed.

[MS 4100](#), KAMES Referral Process, is revised to emphasize the importance of entering the correct KWP status on KAMES and that STEP is updated, if appropriate, before a K-TAP case is discontinued.

[MS 4300](#), Accident Insurance for Work Experience and Community Service Placements, is renamed and revised to indicate the insurance is used for injury claims while participating in a WEP/COM placement. The reference to the Program Assistance and Resource Branch (PARB) is changed to the Family Self-Sufficiency Branch (FSSB).

[MS 4320](#), HUD's Family Self-Sufficiency Program, is obsolete as this is not an actual component activity.

[MS 4335](#), Community Ventures Corporation (CVC) Component, is obsolete as community ventures is not an active component and is a regional program.

[MS 4360](#), Life Skills Training, is obsolete as it is not a stand alone activity and is part of other curriculum or components.

[MS 5200](#), Introduction to Supportive Services, is revised to add information for remedial health goods and services and summer school tuition.

[MS 5350](#) is renamed Overview of Supportive Services. It is revised to clarify and include information on summer school tuition assistance and remedial health care goods and services.

[MS 5355](#) is renamed to Supportive Services Items Subject to \$400 Limit, and is revised to include the code entered on STEP for each item.

[MS 5360](#), Supportive Service Payments, is obsolete and the information is included in [MS 5385](#), Authorization and Issuance.

[MS 5365](#), Fee Payments, is revised to add that short-term training fees are NOT paid using code 55. It is also revised to clarify that liability insurance related to car insurance is paid under code 55.

[MS 5370](#), Supportive Services Related to Employment, is renamed Summer School Tuition Payments, and revised to delete all the information concerning supportive services related to employment. Information for payment of online summer school tuition is incorporated in this manual section. Policy clarifications dated April 23, 2007 titled Summer School Tuition Assistance for Online Summer Classes and policy clarification dated May 7, 2008 titled Summer School – Online Classes are obsolete.

[MS 5375](#), Car Repairs and Expenses, is reordered and reworded for clarity. New or used automotive parts to make the vehicle functional are added to the list of eligible car repair items.

[MS 5380](#), Allowable Medical Service or Item, is renamed, Remedial Health Goods/Services, reworded for clarity and revised to state that notification by FSSB that Remedial Health Care Funds are available is required prior to approval for remedial health goods and services.

[MS 5385](#), Authorization and Issuance, is revised to incorporate information formerly found in MS 5360, Supportive Service Payments and is reworded for clarity.

[MS 5390](#), RN and LPN Licensing Authorization, is revised to change the address to mail the PA-32, Authorization for Payment and remove details of internal Kentucky Board of Nursing payment procedures.

#### Volume X

OM Upd. No. 04-16, [MS 99670](#) is revised to remove MS 4000 as it is an inappropriate cross reference. Pertinent information from the update is incorporated into the new MS 4005. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 06-24, [MS 99743](#) is revised to remove MS 4000 as it is inappropriate cross reference. The remainder of the update will be incorporated with a future OMTL.

OM Upd. No. 07-13, [MS 99762](#) and Errata are revised to remove MS 4000 as it is inappropriate cross reference. The remainder of the update will be incorporated with future OMTL.

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 324  
January 1, 2009

To: All Field Staff

Subject: Non-Emergency Medical Transportation, 2009 Social Security and Black Lung Benefit Amounts, Authorized Representative (AR) and the Online 117 Case Review Process.

This OMTL is being issued to revise the non-emergency transportation policy, and to update the regional broker information. This OMTL is also issued to create new manual sections in Volume I outlining the Online 117 Case Review process for all programs and the reports available for all case reviews completed on this system. The new manual sections also explain the role of Central Office in the review of cases statewide. The standard benefit rates and SMI premium are also revised to reflect the 2009 cost-of-living increase to Social Security Beneficiaries. This OMTL is further issued to outline changes to policy regarding an Authorized Representative (AR) which replaces the Interested Party (IP) authorization.

Volume I

The [Table of Contents](#) is revised to delete MS 0354, Medical Transportation as this policy is no longer valid.

The [Table of Contents](#) is further revised to add MS 0031, The Online 117 Case Review Process and MS 0032, The Online 117 Case Review Reports.

[MS 0031](#), The Online 117 Case Review Process, is created to outline the Online 117 Case Review process for all programs. Additionally, this manual section sets timeframes followed for reviews completed by Central Office staff.

[MS 0032](#), The Online 117 Case Review Reports, is created to list and outline the use for the reports available on the 117 Case Review System.

[MS 0095](#), Taking the Application, is revised to delete the cross reference to OM Update No. 03-18, MS 99623, Interested Party Authorization, 5/1/03, and OM Update No. 07-20, MS 99769, 10/1/07, PAFS-97 Process An Online Function of KAMES, as the information is incorporated into the manual. It is also revised to remove the link to Volume VI, MS 1240 and Volume VI, MS 1250 as these two manual sections no longer exists. It is further revised to replace the term "interested party" with "authorized representative", as "authorized representative" is the correct verbiage used in state regulations.

[MS 0096](#), Who Signs the Application, is revised to delete the cross reference to OM Update No. 03-18, MS 99623, 5/1/03, as the information is incorporated into the manual. It is further revised to replace the term "interested party" with "authorized representative", as "authorized representative" is the correct verbiage used in state regulations.



[MS 0175](#), Determining Caseload Code and County of Residence, is revised to change the name of the non-emergency transportation assistance system from Empower Kentucky to Human Services Transportation Delivery (HSTD).

MS 0354, Medical Transportation, is obsolete as transportation requests are no longer made through the local office. These requests are now made by contacting the Regional Transportation Brokers.

[MS 0703](#), Increase in Benefits, is revised to update the Social Security benefit levels, SMI premium for 2009 and the Black Lung Benefits for 2008.

## Volume IV

The [Table of Contents](#) is being revised to change the title to MS 1330, Authorized Representative (AR) and MS 4140, Local Office Responsibilities for EPSDT.

[MS 1330](#), Authorized Representative (AR), is revised to change the title from "Interested Party" to "Authorized Representative (AR)". It is also revised to outline and clarify the criteria an AR has to meet to make an application and/or inquire about a recipient's Medicaid benefits. An AR has to provide a current MAP-14 to apply/inquire about member's benefits. This manual section is further revised to replace the term "interested party" with "authorized representative", as "authorized representative" is the correct verbiage used in state regulations.

[MS 4140](#), Local Office Responsibilities for EPSDT, is revised to add "EPSDT" to the end of the title. It is also revised to remove the statement that workers must re-schedule missed dental and/or screening appointments for recipients. It is further revised to add a link to non-emergency transportation manual sections and to correct grammatical errors.

[MS 4150](#), Scheduling, is revised to delete the statement that workers use a MAP-127 to refer recipients for medical transportation services. It is further revised to explain that recipients are referred to a regional broker and to correct grammatical errors.

## Volume IVA

The [Table of Contents](#) is being revised to delete MS 1175, Non-emergency Medical Transportation, and MS 3820 Long Distance Travel, as these have been incorporated into MS 3800.

The [Table of Contents](#) is further revised to add MS 1371, Authorized Representative (AR) and to change the title to MS 3810, Non-Emergency Medical Transportation Brokers.

MS 1175, Non-emergency Medical Transportation, is incorporated into MS 3800 and is now obsolete.

[MS 1371](#), Authorized Representative (AR), is created to outline and clarify the criteria an AR has to meet to make an application and/or inquire about a recipient's Medicaid benefits. It is further revised to replace the term "interested party" with "authorized representative", as "authorized representative" is the correct verbiage used in state regulations.

[MS 1500](#), Recertification Procedures, is revised to replace the term "interested party" with "authorized representative", as the authorized representative is the correct verbiage used in State regulations. It is further revised to remove policy

regarding entering recertifications on the PA-62 System, as there are no longer cases that require recertification on this system.

[MS 1750](#), Allocations, Allowances, and Standards, is revised to update the Supports for Community Living Waiver Standard, Community Spouse Resource Allowance (minimum and maximum); Community Spouse Income Allowance (minimum and maximum); Personal Needs Allowance for Non-Institutionalized Hospice, Home and Community Based Services, Acquired Brain Injury and Supports for Community Living; Special Income Standard, and Blind or Disabled Child Allocations effective 1/1/09.

[MS 2080](#), Consideration of Transferred resources, is revised to update the transfer of resource factor for 2009.

[MS 3550](#), LTC Individual with Community Spouse, is revised to update the special income standard for LTC individuals with a Community Spouse.

[MS 3800](#), Non-Emergency Medical Transportation, is revised to incorporate material from MS 1175 and MS 3820, which are now obsolete. It is further revised to list an additional number to the HSTD Branch and for grammatical changes.

[MS 3810](#), Non-Emergency Medical Transportation Brokers, is revised to change the title from "Request for Transportation" to "Non-Emergency Transportation Brokers". It is further revised to update the regional broker information that changed effective 7/1/08.

MS 3820, Long Distance Travel, is incorporated into MS 3800 and is now obsolete.

[MS 3910](#), Medicaid Works Application, is revised to update the Substantial Gainful Activity (SGA) income standards.

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is revised to update the SGA income standards.

[MS 3920](#), Medicaid Works Financial Eligibility, is revised to update the Medicaid Works earned and unearned income limit for an ineligible spouse.

[MS 4670](#), SSI Financial Standards, is revised to show SSI income standards for 2009.

[MS 4910](#), SSP Standards, is revised to show State Supplementation standards for 2009.

## Volume X

The [Table of Contents](#) is being revised to delete OM Upd. No. 03-18, MS 99623, 5/1/03.

OM Upd. No. 03-18, MS 99623, 5/1/03, is obsolete as it is incorporated into the manual.

OM Upd. No. 07-20, MS 99769, 10/1/07, is revised to delete the cross reference to MS 0095.

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 323  
January 1, 2009

To: All Field Staff

Subject: Volume IIA Change to WEP chart and various changes.

Section IIA

The [Table of Contents](#) is revised to obsolete MS 3250, Component Choices.

MS 3250, Component Choices, is obsolete as this policy is incorporated into MS 8200, Components.

[MS 8200](#), Components, is revised to remove the inappropriate cross reference to OM Upd. No. 06-28, MS 99747, dated 11/1/06. It is also revised to incorporate policy from MS 3250 which is obsolete, and to update the WEP chart due to the change in minimum wage. It is further revised to remove links to other sections that are unnecessary, to remove policy concerning conciliation which is not appropriate to this MS, to add that WEP participants are covered by accident insurance, to change the word "stamps" to "benefits", to change the name of DES and to remove duplicate policy.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 322  
December 1, 2008

To: All Field Staff

Subject: Various Claims Revisions to Volume I

VOLUME I

The following manual sections are revised to incorporate corrections, changes and updates to policy:

- [MS 0506](#), Local Action on QC Findings, is revised to update the contact information to whom a copy of the PAFS-343.1 is sent out to and to remove Melvin Byne from the Division of Program Performance, Quality Control Branch.
- [MS 0594](#), Recommended Order, is revised to update contact information to forward hearing exceptions.
- [MS 1514](#), What is a Claim in Food Stamps (FS), is revised to reflect the information from FNS that claims are still pursued in the IHE/AE categories even if there is no signed application.
- [MS 1530](#), How to Calculate a Food Stamp (FS) Claim, is revised to change wording in the first line of the first paragraph. In addition, the time period for calculating SIPV claims is clarified.
- [MS 1545](#), How to Process Agency Error (AE) Claims, is revised to state that claims must be entered on the Kentucky Claims Debt (KCD) Management System within 10 days of the date of discovery.
- [MS 1555](#), How to Process an Inadvertent Household Error (IHE) Claim, is revised to state the claim must be entered on the Kentucky Claims Debt (KCD) Management System within 10 days of the date of discovery.
- [MS 1580](#), What is an Intentional Program Violation (IPV) Claim, is revised to state that an individual can be determined to have committed an IPV even if there is no loss of benefits.
- [MS 1647](#), Court Imposed Disqualifications, is revised to expand on rules for disqualifications.
- [MS 1679](#), Payments Received in the Local Office, is revised to indicate the action to be taken in the local office when a payment is received.
- [MS 1704](#), Claims and Bankruptcy, is revised to state that all bankruptcy petitions are to be forwarded to the Claims Management Section.

- [MS 1706](#), KY Tax Offset, is revised to expand on filing an IRS Injured Spouse form. In addition, category codes affected by tax offset are updated.
- [MS 1722](#), Offsetting Food Stamp (FS) claims, is revised to specify that KCD is used to apply a restoration to an outstanding claim.
- [MS 1800](#), What is a Kentucky Transitional Assistance Program (KTAP) Claim, is revised to add claim type "AF" to be used for AFDC claims over issued prior to October 1, 1996.
- [MS 1809](#), Requesting Information for Kentucky Transitional Assistance Program (KTAP) Claims, is revised to state that claims must be entered on the Kentucky Claims Debt (KCD) Management System within 10 days of the date of discovery.
- [MS 2035](#), SAVE, is revised to remove the reference to the form PAFS-15, as this form is obsolete. In addition, the manual section is revised to update the address to mail form G-845, Document Verification Request.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 321  
December 1, 2008

To: All Field Staff

Subject: Mailing Codes for EBT and Other Various Revisions to Volume II

The following manual sections are revised for clarity to specify current processes and to update the Branch and Section names.

VOLUME II

[MS 2020](#), Special Provision for the Elderly and Disabled, is revised to state that any person who is too disabled to purchase his or her own food but who has arranged to have his or her food purchased separately from those with whom he or she lives qualifies for separate household status even if the person who shops for food or prepares meals for the disabled person may be residing with disabled person.

[MS 2040](#), Irregular Household Members, is revised to clarify procedures for determining household members in a joint custody arrangement if the child/children receive an equal number of meals from each parent's household. This manual section is further revised to remove the statement "establish a certification period based on the stability of the household situation". Certification periods are currently established based on Simplified Reporting rules.

[MS 2350](#), Criminals, is revised to clarify that participation in or completion of a drug treatment program must be after the conviction of a drug felony. The assessment of chemical dependency is not required to be after the drug conviction; however, it must be verified and meet the criteria as stated in MS 2600.

[MS 2730](#), Group Living Facility Responsibilities, is revised to change the reference to the Operation and Support Branch to the Nutrition Assistance and Accountability Branch.

[MS 3800](#), Representative Requirements, is revised to change the reference to the Operation and Support Branch to the Nutrition Assistance and Accountability Branch.

[MS 5210](#), Excluded Income, is revised to state that the "Gift Card" is excluded from consideration as income and resources.

[MS 6320](#), Scope of the Interview, is revised to change the reference to the Collections Branch to Claims Management Section and to revise the list of forms that must be explained during an interview.

[MS 6340](#), Conducting Out-of-Office Interview, is revised to state the case is pended for mandatory information and the signed application.

[MS 7030](#), Required Verification at Recertification, is revised to state that actual utility expenses may be used if the household incurs only one type of utility expense.

[MS 8030](#), Security of EBT Cards, is revised to address the question on KAMES which states 'DO YOU WANT EBT CARD MAILED TO CLIENT OR LOCAL OFFICE?' and procedures for mailing an EBT card to the local office.

[MS 8200](#), Replacing EBT Card, is revised to replace all references to EXTRACT CODE "I" with instructions for the codes of "O", which mails the EBT card to the local office, and "C", which mails the EBT card to the client.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 320  
December 1, 2008

To: All Field Staff

Subject: Burial Reserves

This OMTL is being issued to clarify burial reserve policy and to arrange material in the order that the KAMES system addresses burial reserves.

Volume IVA

The [Table of Contents](#) is revised to obsolete MS 1910, Burial Reserves, and MS 1950, Life Insurance, as they are incorporated into other manual sections. The following manual sections are added: MS 2031, Overview of Burial Reserves, MS 2032, Burial Reserves Definitions, MS 2033, Excluded Burial Items, MS 2034, Burial Trust Funds, MS 2035, Cash Set Aside for Burial Purposes, MS 2036, Life Insurance Policies, and MS 2037, Prearranged Funeral Contracts.

[MS 1880](#), Excluded Resources, is revised to organize excluded resources by type, to add information concerning tax rebate checks and to correct information regarding burial reserves. This manual section is also revised to add the requirement to property sold on land contract that the contract must be actuarially sound without balloon payments and without forgiveness of debt in the event of termination of the sale. This manual section is further revised to remove the cross reference to OM Update No. 08-06, MS 99782, Tax Rebate Checks, 5/1/08, as the information is incorporated into this manual section.

[MS 2031](#), Overview of Burial Reserves, is created to give an overview of burial reserves and to describe the different forms that burial reserves may take.

[MS 2032](#), Burial Reserve Definitions, is created to list the definitions related only to burial reserves.

[MS 2033](#), Excluded Burial Items, is created to list only burial items that are excluded from consideration.

[MS 2034](#), Burial Funds, is created to describe burial trust funds as one form of burial reserves.

[MS 2035](#), Cash Set Aside for Burial Purposes, is created to describe how to consider cash set aside for burial and annuities used for burial.

[MS 2036](#), Life Insurance Policies, is created to describe life insurance policies as one form of burial reserves.



[MS 2037](#), Prearranged Funeral Contracts, is created to describe prearranged funeral contracts as one form of burial reserves and to clarify the 5 different types of prearranged funeral contracts by how they are funded.

[MS 2465](#), Nonrecurring Lump Sum, is revised to add information concerning tax rebate checks. This manual section is further revised to remove the cross reference to OM Update No. 08-06, MS 99782, Tax Rebate Checks, 5/1/08, as the information is incorporated into this manual section.

#### Volume X

OM Upd. No. 08-06, [MS 99782](#), 5/1/08, is revised to delete the cross-reference to Volume IVA, [MS 1880](#) and [MS 2465](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 319  
November 1, 2008

To: All Field Staff

Subject: KCHIP and "I" Category Changes

In an effort to remove barriers to enrollment, the following changes to the "I" and KCHIP categories are implemented November 1, 2008:

- The option of a mail-in application process is available to applicants and a face-to-face interview is **no** longer a requirement.
- The time frame to return information will increase from 10 to **30** days.
- A 30 day grace period after denial or discontinuance is implemented to allow reapplication **without** completion of an application form.
- Medical Support Enforcement (MSE) referrals are **no** longer required; however families can opt to receive these services.

A one time notice to prior KCHIP recipients advising they can apply by mail will be generated by the Department for Medicaid Services (DMS). Along with these measures, DMS has developed and will administer an outreach program to help retain more children on KCHIP.

Volume IV

The [Table of Contents](#) is revised to add:

- [MS 2871](#), KCHIP Children
- [MS 2897](#), Exception to Age Requirements

The [Table of Contents](#) is revised to delete:

- MS 2892, "KCHIP3
- MS 2894 P7 Case Processing

The [Table of Contents](#) is revised to change the name of:

- [MS 2880](#) from Age Exception to KCHIP 3/P7 Children
- [MS 2890](#) from KCHIP Children to Mail-in Applications for "I" and KCHIP Categories

- [MS 2891](#) from Eligibility to Mail-in Recertifications for “I” and KCHIP Categories

[MS 2870](#), “I” Children, is revised to state that Medical Support Enforcement (MSE) referrals are no longer mandatory for all “I” categories. MSE referrals can be completed at the request of the specified relative or non-specified relative in the “I” categories. This manual section is further revised to remove all KCHIP policy as it has been incorporated into [MS 2871](#) and to add that school attendance is required to exempt wages for a child from 16 up to age 19 from being considered as part of the household’s income. [MS 2870](#) is reorganized for clarity.

[MS 2871](#), KCHIP Children, is created to combine all KCHIP eligibility policy from [MS 2870](#), “I” Children, MS 2891, KCHIP Eligibility, and MS 2892, KCHIP 3. This manual section is further created to explain how to be considered in income in a case where the child is out of the home and that Medical Support Enforcement (MSE) referrals are no longer mandatory for the KCHIP and “I” categories. MSE referrals can be completed at the request of the specified relative or non-specified relative. This manual section is further revised to expand the reasons an application may be approved in cases where insurance coverage is lost less than 6 months prior to determination of eligibility and to remove the reference to the face-to-face interview. Additionally, school attendance **is** required to exclude wages for a child from 16 up to age 19 from being considered as part of the household’s income.

[MS 2880](#) is renamed KCHIP 3/P7 Premium Payment. MS 2894, P7 Case Processing, is moved to 2880 and reorganized for clarity. This manual section is further revised to state that a supervisor may delete the system-imposed disqualification in circumstances where a change in the case exempts the household from premium payments.

[MS 2890](#) is renamed Mail-In Applications for “I” and KCHIP Categories, and includes instructions on how to process mail-in applications. It is revised to state that a face-to-face interview is no longer mandatory. Additionally, MSE referrals are no longer mandatory but optional. This manual section is further revised to increase the time frame for return of information to complete an application from 10 to 30 days. Further, applicants have a 30 day grace period after a denial to return requested information without having to complete a new application.

[MS 2891](#) is renamed Mail-In Recertification for “I” and KCHIP Categories. This manual section is revised to state that individuals have a 30 day grace period to return required verification after the effective date of case discontinuance without having to complete a new application.

MS 2892 is deleted as this information is moved to 2870.

MS 2894 is deleted as this information is moved to MS 2880.

[MS 2897](#), Exceptions to Age Requirements, is created to incorporate policy regarding Age Exception from MS 2880.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 318  
November 1, 2008

To: All Field Staff

Subject: Revisions to Volume I, Volume III, Volume IIIA and Volume IV

This OMTL revises sections of Volume I, Volume III, and Volume IIIA to incorporate the changes associated with the Deficit Reduction Act of 2005. It is recommended that supervisors review the material with their staff.

#### Volume I

The [Table of Contents](#) is revised to change the name of [MS 1125](#) from CCAP Referral and Approval Process to CCAP Referral Process.

[MS 1100](#), Overview of the Child Care Assistance Program, is revised to change the reference to form DCC-85 to DCC-85A, K-TAP Approval for Child Care Assistance. The link to the Division of Child Care forms is corrected to:  
<http://chfsnet.ky.gov/dcbs/dcc/forms/>.

[MS 1125](#), CCAP Referral Process, is renamed and revised to indicate form DCC-85A is only used for KWP participants when approving child care and inappropriate for use when a referral for child care is needed. This section is also revised to eliminate duplication in the wording.

#### Volume III

[MS 2324](#), KWP Exemption Criteria, is revised to add information about a new KWP exemption code "G". Code "G" is used for adults who receive Social Security Disability (SSDI) benefits based on having a permanent disability. Code "G" is not effective until 11/10/2008 due to system support. Do not enter code "G" before 11/10/2008.

#### Volume IIIA

[MS 4245](#), Calculating Hours of Participation for WEP/COM, is added to the [Table of Contents](#) and incorporates instructions for calculating required hours of participation in WEP/COM components. The manual section is also revised to instruct workers to adjust the scheduled hours if excused absences/approved holiday hours are tracked. This is done so that hours reported for WEP/COM participants comply with the Fair Labor Standards Act.

[MS 4660](#), Excused Absences/Approved Holidays, is revised to provide a chart with the number of weekly hours entered on STEP for excused absences and approved holidays.

MS 5250, Overview of Child Care Assistance, is obsolete and the information is incorporated into [MS 5270](#).

[MS 5260](#), Child Care and Two-Parent Cases, is revised to add reference to Volume III, [MS 2849](#), Dependent Care Deduction and simplify language.

[MS 5270](#), Approval for CCAP, is renamed and revised to change the reference to DCC 85 to DCC 85A, to simplify language, and to include the statement that online educational classes qualify as a KWP activity.

#### Volume IV

[MS 2610](#), Unemployment: UI and Work Registration, is revised to correct the procedures workers are to follow when one or both of the parents in an "N" or "T" case refuse to work register. Work registration is an eligibility requirement and if refused, the case is denied.

Patricia R. Wilson,  
Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 317  
November 1, 2008

To:

Subject: Incorporating Application Process Policy into Volume IV & IVA

This OMTL is issued to revise various manual sections in Volumes I, IV, IVA, and X by incorporating OM Updates that were temporarily located in Volume X, into their respective manual sections. This OMTL is further revised to move application process policy from Volume I and incorporate it into Volume IV and IVA.

Volume I

The [Table of Contents](#) is revised to obsolete the following manual sections as the information from these is incorporated into Volume IV and Volume IVA:

- MS 0097, Application Interview
- MS 0098, Applications for the Deceased
- MS 0099, Out-of-State Applicants

The [Table of Contents](#) is also revised to add MS 0127, HIPAA Policy.

The [Table of Contents](#) is further revised to change the title of MS 0132 from, "Review of Case Record" to "Review of Case Record of Living or Deceased Recipients".

MS 0097, Application Interview, is obsolete as the material has been incorporated into Volume IV, MS 1212 and Volume IVA, MS 1372.

MS 0098, Applications for the Deceased, is obsolete as the material has been incorporated into Volume IV, MS 1214 and Volume IVA, MS 1374.

MS 0099, Out-of-State Applicants, is obsolete as the material has been incorporated into Volume IV, MS 1216 and Volume IVA, MS 1376.

[MS 0126](#), Disclosure of Information for K-TAP, Medicaid and Other Benefit Programs, is revised to delete the following cross-references:

- OM Upd. No. 03-12, MS 99615, HIPAA Policy, 3/15/03, and its Errata, as they are incorporated into the manual.
- OM Upd. No. 03-18, MS 99623, Interested Party Authorization, 5/1/03, as this is an inappropriate cross-reference.
- Policy Clarification titled "Situation with Law Enforcement Agency", issued

on 5/6/08, as it is incorporated into this manual section.

[MS 0127](#), HIPAA Policy, is created to explain that all agencies which enter into confidentiality agreements with the Department for Community Based Services are subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

[MS 0128](#), Agreement to Safeguard Information, is revised to delete the cross reference to OM Upd. No. 03-12, MS 99615, 3/15/03, and its Errata, as it is incorporated into the manual. It is further revised to update the contact information of whom an agency has to contact if they need to enter into a confidentiality agreement with the Department for Community Based Services.

[MS 0130](#), Subpoenaed Information, is revised to delete the cross-reference to OM Upd. No. 03-12, MS 99615, 3/15/03, as it is incorporated into the manual. It is further revised to re-format the introductory paragraph.

[MS 0132](#), Review of Case Record of Living or Deceased Recipients, is revised to delete the cross-reference to OM Upd. No. 03-12, MS 99615, 3/15/03, as it is incorporated into the manual. It is also revised to change the title and to incorporate manual material from MS 0134, which is now obsolete.

MS 0134, Records of Deceased Recipients, is now obsolete. The material has been incorporated into MS 0132.

[MS 0136](#), Recipient Privacy, is revised to delete the cross-reference to OM Upd. No. 03-12, MS 99615, 3/15/03, as it is incorporated into the manual.

[MS 0150](#), General Case Processing, is revised to explain that inquiries that do not result in an application are to be entered on KAMES through option "I Inquire/Update PAFS-97". This manual section is further revised to delete cross-reference to OM Upd. No. 07-20, MS 99769, PAFS 97 Process an On-Line Function of KAMES, 10/1/07, as it is incorporated into the manual.

## Volume IV

The [Table of Contents](#) is revised to add the following manual sections, MS 1212, Application Interview, MS 1214 Applications for the Deceased, MS 1216, Out-of-State Applicants and MS 1340, Co-Payments for Medicaid Recipients.

[MS 1212](#), Application Interview, is created to incorporate material from:

- OM Upd. No. 05-28, MS 99712, Co-Pay for Medicaid Recipients, 9/1/05 and its Errata.
- OM Upd. No. 05-34, MS 99718, Medicaid Estate Recovery, 10/1/05.
- OM Upd. 05-28 and its Errata.

[MS 1214](#), Applications for the Deceased, is created to move this policy to Volume IV from Volume I.

[MS 1216](#), Out-of-State Applicants, is created to move this policy to Volume IV from Volume I.

[MS 1340](#), Co-Payment for Medicaid Recipients, is created to outline the Medicaid recipient service co-pays and prescription drug co-pays.

[MS 3590](#), Other Unearned Income, is revised to explain that a pension payment received from the Department of Veteran Affairs under Chapter 31, Vocational Rehabilitation Benefits, is countable income. It is further revised to add an introductory paragraph and to explain that sixty dollars per quarter is excluded from the calculation of irregular and infrequent unearned income

[MS 3790](#), Other Earned Income, is revised to state that incentive pay is considered the same as other countable earned income. It is further revised to explain how to consider earned income received irregularly or in irregular amounts.

[MS 4320](#), Excluded Resources, is revised to delete the cross-reference to OM Upd. No. 08-06, MS 99782, Tax Rebate Checks, 5/1/08, as it is incorporated into the manual.

[MS 4385](#), Non-Recurring Lump Sum Income, is revised to delete the cross-reference to OM Upd. No. 08-06, MS 99782, 5/1/08, as it is incorporated into the manual. It is further revised to explain that income from the sale of property, including initial or down payment from a land contract sale, IS NOT a nonrecurring lump sum but a change in type of resource

#### Volume IVA

The [Table of Contents](#) is revised to add the following manual sections, MS 1065 Co-Payments for Medicaid Recipients, MS 1372, Application Interview, MS 1374 Applications for the Deceased and MS 1376 Out-of-State Applicants.

[MS 1065](#), Co-Payments for Medicaid Recipients, is created to outline the Medicaid recipient service co-pays and prescription drug co-pays.

[MS 1372](#), Application Interview, is created to incorporate material from:

- OM Upd. No. 05-28, MS 99712, Co-Pay for Medicaid Recipients, 9/1/05 and its Errata.
- OM Upd. No. 05-34, MS 99718, Medicaid Estate Recovery, 10/1/05.
- OM Upd. 05-28 and its Errata.

[MS 1374](#), Applications for the Deceased, is created to move this policy to Volume IVA from Volume I.

[MS 1376](#), Out-of-State Applicants, is created to move this policy to Volume IVA from Volume I.



[MS 4430](#), Medicare Part A, is revised to explain that for Medicare Part A individuals who come into the local office to apply for QMB outside of their open enrollment window, workers are to complete an online "Inquiry/Update PAFS-97" on KAMES. This manual section is further revised to delete cross-reference to OM Upd. No. 07-20, MS 99769, 10/1/07.

[MS 4820](#), Case Decision, is revised to explain that an "Inquire/Update PAFS-97" is to be completed on KAMES for inquiries that do not result in an application. This manual section is also revised to delete cross-reference to OM Upd. No. 07-20, MS 99769, 10/1/07. It is further revised to re-format the introductory paragraph.

## Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

- OM Upd. No. 03-12, MS 99615, 3/15/03 and its Errata.
- OM Upd. No. 05-34, MS 99718, 10/1/05.

OM Upd. No. 03-18, [MS 99623](#), 5/1/03, is revised to delete the cross-reference to Volume I, MS 0126.

OM Upd. No. 05-28, [MS 99712](#), 9/1/05, and its errata, are revised to delete the cross-reference to Volume I, MS 0097.

OM Upd. No. 07-20, [MS 99769](#), 10/1/07, is revised to delete the cross-reference to the following manual sections:

- Volume I, MS 0150
- Volume IVA, MS 4430 and MS 4820

OM Upd. No. 08-06, [MS 99782](#), 05/1/08, is revised to delete the cross-references to Volume IV, MS 4320 and MS 4385.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 316  
October 1, 2008

To: All Field Staff

Subject: Revisions to Work Registration, Component Information and Monitoring and Tracking

The following manual section revisions are associated with the federal Deficit Reduction Act of 2005 and changes in state regulations.

Volume III

The [Table of Contents](#) is revised to remove MS 2043, Work Registration/Kentucky Works Interview Process, and MS 2325, Good Cause for Noncompliance in KWP. [MS 2321](#), Work Registration, is added. The following manual section titles changed:

- [MS 2322](#), KWP Work Eligible Individuals;
- [MS 3650](#), Unemployed Parent (UP) Program;
- [MS 3655](#), The Qualifying Parent and Prior Labor Market Attachment;
- [MS 3665](#), Unemployment Requirements; and
- [MS 3670](#), Incapacity and the Unemployed Parent.

[MS 2042](#), Content of Interview, is revised to remove the cross-references to OM Update No. 06-13, MS 99732, 4/1/06, K-TAP and Medicaid Work Registration, OM Update No. 03-39, MS 99649, 11/1/03, TMA Premiums, and its addendum, and to delete the reference to form PA-219A, Kentucky Works Activities, and the information concerning signing a declaration of citizenship.

MS 2043 is obsolete as the information concerning work registration is moved to [MS 2322](#), Work Registration, and the remaining information duplicated information found in MS 2042.

[MS 2321](#), Work Registration, is created to provide information about work registration policy and procedures. Form PA-511 will no longer be used. Work registration is completed by answering the question "Is he/she required to register for work by completing DSI form?" and entering the application date to "If yes, what is the date of the registration?" on the KAMES Work Registration screen. Once the client signs the K-TAP or MA application, work registration is completed. The questions on the screen will be revised in the near future.

[MS 2322](#) is renamed to KWP Work Eligible Individuals and to incorporate OM Update No. 06-24, MS 99743, 10/1/06, Work Eligible Individuals for the Kentucky Works Program (KWP), OM Update No. 07-13, MS 99762, 5/1/07, Work Eligible Individuals, and the Errata and OM Update No. 08-05, MS 99781, 4/1/08, Exemption codes "D", "U" and "T".

[MS 2324](#), KWP Exemption Criteria, is revised to incorporate the OM Updates No. 06-24, 07-13 and Errata and 08-05. Additionally, the requirements for an exemption for caring for a disabled household member are revised to remove the eight week time frame and constant care language.

MS 2325 is obsolete as it duplicated information found in Volume IIIA, MS 4720, Determining Good Cause.

[MS 3650](#) is renamed Unemployed Parent (UP) Program, and is revised for clarity. Also, it is revised to remove form PA-219, Kentucky Works Program Fact Sheet, as the mechanism for work registration and to include the statement that the qualifying parent has primary responsibility for KWP participation.

[MS 3655](#) is renamed The Qualifying Parent and Prior Labor Market Attachment, and is revised for clarity.

[MS 3665](#) is renamed Unemployment Requirements, and is revised for clarity and remove the procedures for work registration. Work registration procedures are found in MS 2321. This section is also revised to specify, if an application or an existing UP case is denied or discontinued due to the refusal to accept employment, voluntary reduction or termination of employment or training without good cause, a reapplication based on unemployment of the QP must meet all requirements in this section.

For instances when the UP case is discontinued due to failure to participate in KWP activities, the case is not eligible for 30 days from the date of the KW-100. The technical requirements for a reapplication are the same as an initial application.

[MS 3670](#) is renamed Incapacity and the Unemployed Parent and is revised to update procedures when a parent in a UP case alleges incapacity. When a parent alleges incapacity, discontinue the "W" case and enter an application in the "C" category with the deprivation of incapacity based on the incapacitated parent. If a field determination cannot be made, the case must pend for an MRT decision before approval.

## Volume IIIA

The [Table of Contents](#) is revised to remove the following:

- MS 4385, 24-Month Vocational Training Period;
- Chapter title KWP for UP's;
- MS 4830, Introduction to Assessment for the UP Participant; and
- MS 4880, KWP Participation for UPs.

The following manuals sections are added to the Table of Contents:

- [MS 4215](#), Short-Term Training;
- [MS 4217](#), Coding Vocational Educational Training;
- [MS 4220](#), Job Readiness Assistance/Job Search
- [MS 4655](#), Verification of Participation; and
- [MS 4660](#), Excused Absences and Holidays.

The following manual section titles are changed in the [Table of Contents](#):

- [MS 4210](#), Vocational Educational Training;
- [MS 4350](#), Introduction to Non-Core Activities;
- [MS 4650](#), Monitoring and Tracking Participation; and
- [MS 4800](#), Unemployed Parent (UP) Participation.

In addition, the subchapter, MS4800-4829, is renamed to Overview of UP's in KWP.

[MS 4210](#), Vocational Educational Training is revised to change the title and add full-time enrollment in 4-year degree programs now qualify as a CORE activity. OM Update No. 06-09, MS 99728, 3/1/06 Part-time Post-Secondary Education Attendance, is incorporated and obsolete with this OMTL. Additionally, OM Updates No. 06-25 and Errata, MS 99744, Countable Components and 06-26 and Errata, MS 99745, Counting, Verifying and Documenting Hours of KWP Participation dated 10/1/06 are incorporated.

[MS 4215](#), Short-Term Training, is a new section. The information was removed from [MS 4210](#).

[MS 4217](#), Coding Vocational Educational Training, is created to provide specific information concerning entering the appropriate codes for vocational educational training on STEP.

[MS 4220](#), Job Readiness Assistance/Job Search, is revised to remove unneeded language and add the changes due to the Deficit Reduction Act (DRA). The 6 weeks allowed to be counted for Job Readiness and Job Search changed from 6 weeks in a federal fiscal year to 6 weeks in a preceding 12-month period. Additionally, for job search, travel time between interviews can count when calculating hours of participation. The travel time from home to the first interview and home from the last interview is not counted. The verification requirements for job search are added to this manual section.

[MS 4350](#) is renamed Introduction to Non-Core Activities, and revised to incorporate OM Update No. 06-25, MS 99744, 10/1/06 and its Errata.

MS 4385 is obsolete as the information is moved to [MS 4210](#) and [MS 4217](#).

[MS 4650](#) is renamed Monitoring and Tracking Participation, and revised to incorporate OM Update No. 04-23, MS 99677, 7/1/04 and OM Update 06-26, MS 99745, 10/1/06 and its Errata. In addition, [MS 4650](#) specifies that participation, excused absences and holidays must be reported in hours.

[MS 4655](#), Verification of Participation, is created to provide detailed information on verifying KWP participation to conform to federal requirements.

[MS 4660](#), Excused Absences/Approved Holidays, is created to incorporate the information in OM Update 06-26 concerning excused absences and holidays. Excused absences and holidays are now reported in hours not days. Excused absences are limited to 80 hours in a 12-month period with no more than 16 hours in a given month. Also, federal guidance allows the state to grant 10 holidays a year. The approved holidays are New Year's Day, Martin Luther King, Jr. Day,

Presidents' Day, Easter, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day, and Christmas Day. The participant must be scheduled to attend the activity on the approved holiday. Holiday hours are entered on the Monthly Tracking screen as "02" for one holiday and "04" for two holidays.

Additional information concerning the entry of excused absence hours on the Monthly Tracking screen on STEP will be issued in October for November.

[MS 4800](#) is renamed Unemployed Parent (UP) Participation and revised to state that the qualifying parent (QP) has primary responsibility to meet the KWP participation requirements. In addition, the QP must be available for work and participation. If participation requirements are not met, the UP case is discontinued. The cross reference to OM Update 04-16, MS 99670, 5/1/04, UP Countable Participation, OM Update No. 06-25, MS 99744, 10/1/06, it's Errata and OM Update NO. 06-26, MS 99745, 10/1/06 is removed as pertinent parts are incorporated in this manual section.

MS 4830 and MS 4880 are obsolete as the information is out of date or duplicative.

#### Volume IV

[MS 2610](#) is revised to provide information about work registration policy and procedures. Form PA-511 will no longer be used. Work registration is completed by answering the question "Is he/she required to register for work by completing DSI form?" and entering the application date to "If yes, what is the date of the registration?" on the KAMES Work Registration screen. Once the client signs the K-TAP or MA application, work registration is completed. The questions on the screen will be revised in the near future.

#### Volume X

The Table of Contents is revised to remove:

- OM Update No. 03-39, MS 99649, TMA Premiums, 11/1/03 and addendum;
- OM Update No. 06-09, MS 99728, Part-Time Post-Secondary Education Attendance, 3/1/06;
- OM Update No. 06-13, MS 99732, K-TAP and Medicaid Work Registration, 4/1/06; and
- OM Update No. 08-05, MS 99781, Exemption Codes "D", "U", and "T", 4/1/08.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No.315  
October 1, 2008

To: All Field Staff

Subject: Various Revisions to Volumes II, VI and X

Volume II

[MS 2000](#), Definitions, is revised to correct the reference to Vol. IIA, to Vol. II, MS 2010 in primary wage earner definition; MS 2010 does not exist in Vol. IIA. This manual section is also revised to remove the reference to the link to Vol. II, MS 2010.

[MS 2000](#), Definitions, is further revised to explain the necessity of documentation, to clarify the definition of Drug Addiction or Alcoholic Treatment and Rehabilitation Programs, and to define a recognized chemical dependency treatment program as 'A program which provides treatment that leads to the rehabilitation of drug addicts and or alcoholics.'

[MS 2020](#), Special Provision for the Elderly and Disabled, is revised to state an individual age 60 or over, who is unable to purchase his or her own food, due to a permanent disability but who has arranged to have his or her food purchased and prepared separately from those with whom he or she lives, may claim separate household status.

[MS 2090](#), Residents of Institutions, is revised to remove the wording that the institution must meet the requirements for funding under Title XIX of the Public Service Act and adds a reference to MS 2600 which provides more detail for determining eligibility for institutional residents.

[MS 2100](#), Excluded Members, is revised to correct the link from Vol. I, MS 2090 to Vol. II, [MS 2090](#).

[MS 2300](#), Eligible Students, is revised to state that individuals who reside on campus and possess a meal ticket that provides over 50% of daily meals are not eligible to receive food stamps and to change the title of this section to Students. This manual section is further revised to remove \$175 as the maximum dependent care deduction a client is responsible to pay as the 2008 Farm Bill removed the cap. Lack of child care is addressed in this section.

[MS 2330](#), Exceptions to Student Status, is revised for clarity.

[MS 2350](#), Criminals, is revised to remove the word "recognized" as the definition of a chemical dependency treatment program, to include procedures for determining if a treatment program meets criteria for the residents to receive food stamp benefits, and to specify that the assessment and treatment must be after the conviction.

[MS 2600](#), Basis for Treatment Center Participation, is revised to obsolete OM Update No. 06-19, MS 99738, 9/1/06, which steps out procedures for treatment center participation in the Food Stamp Program, which has been incorporated into the manual. This manual section is further revised to state that the center advises the participant to return the change report form to the appropriate Food Stamp Office in accordance with the participants reporting requirements and to correct branch name to Nutrition Assistance and Accountability Branch (NAAB).

[MS 2610](#), Eligibility of Center Residents, is revised to obsolete OM Update No. 06-19, MS 99738, 9/1/06, which has been incorporated into the manual. This manual section is further revised to include Developmental Disabilities and Addiction Services in the name of the Department of Mental Health.

[MS 2660](#), Center Responsibilities, is revised to add procedures for changing the address when a participant leaves a treatment center and to change the name of the Operation and Support Branch to Nutrition Assistance and Accountability Branch. This manual section is further revised to remove the portion of the section that states the institution swipes the recipient's EBT card through the POS terminal and debits and credits the account for the appropriate amount. This cannot be accomplished through the POS terminal.

[MS 2900](#), Alien Status, is revised to include Cuban/Haitian Parolees under Section 212 (d) (5) as being the same as Cuban/Haitian Entrants as defined in Section 501 (e) of the Refugee Education Act, for Food Stamp criteria eligibility.

[MS 5040](#), Resources-Excluded, is revised to state all resources other than those listed in [MS 5050](#) or [MS 5060](#) are excluded.

[MS 5050](#), Countable Resources, is revised to remove Individual Retirement Accounts (IRA) as a countable resource.

[MS 5210](#), Excluded Income, is revised to specify that Preparing Adults for Competitive Employment (PACE) income is excluded. This manual section is further revised to exclude all Educational Income except Ready to Work and to remove the statement that Pell Grants are countable educational income and that insurance premiums for eligible students are excluded as a reimbursement. All educational income is excluded except Ready to Work income; this is changed because of the 2008 Farm Bill.

[MS 5220](#), Countable Income, is revised to state all Educational Income is excluded except Ready to Work. This manual section is further revised to remove procedures for imposing a 316 and 310 disqualification. The procedures can be found in Vol. IIA, [MS 2200](#).

[MS 5320](#), Business Expenses, is revised to add depletion to the list of non-allowable costs. This manual section is further revised to state the cost whose purpose is for attracting clients such as promotional/advertising, meals, travel and expenses required for work and repairs to income-producing properties are allowable expenses.

[MS 5650](#), Budgeting Income, is revised to include Ready to Work Income as countable educational assistance. It is further revised to state all other educational income is excluded.



[MS 6470](#), Delays in Processing, is revised to remove the policy that states if the 30<sup>th</sup> day was a non-work day and the verification was returned on the first working day thereafter, deny the original application as this is no longer current policy.

[MS 6470](#) is further revised to remove the paragraph that states if the household misses two scheduled interviews and a third appointment is necessary and cannot be scheduled within the original 30-day time period, pend the application up to the maximum number of days to complete the interview and certification requirements. This step is not in agreement with current policy.

[MS 6720](#), Household Change Reporting Form, is revised to remove the reference to postage paid envelopes as this no longer applies.

[MS 8000](#), Overview, is revised to incorporate OM Update No. 07-21, 10/1/07, MS 99770 which states that Kentucky Transitional Assistance (K-TAP) and Kinship Care benefits are also available on the Electronic Benefit Transfer (EBT) Card. The cross-reference to OM Update No. 07-21, MS 99770, 10/1/07 is removed.

[MS 8010](#), Local Office Responsibilities, is revised to incorporate OM Update No. 07-21, MS 99770, 10/1/07 which states that all issuance records must be kept for five years if Kentucky Transitional Assistance Program (K-TAP) or Kinship Care benefits are included on the card. The cross-reference to OM Update No. 07-21, MS 99770, 10/1/07 is removed.

[MS 8020](#), Required Explanations of EBT, is revised to incorporate OM Update No. 07-21, MS 99770, 10/1/07 to state that the EBT card should be received in approximately 7 days and that individuals who have an EBT card for Food Stamps benefits will not receive a new EBT card for K-TAP or Kinship Care benefits. The cross-reference to OM Update No. 07-21, MS 99770, 10/1/07 is removed.

[MS 8030](#), Security of EBT Cards, is revised to remove the cross-reference to OM Update No. 07-21, MS 99770, 10/1/07, as it was an inappropriate cross-reference.

[MS 8040](#), Central Office Responsibilities, is revised to incorporate OM Update No. 07-21, MS 99770, 10/1/07, to state that the central office must retain all issuance records for audit purposes for a period of five years. The cross-reference to OM Update No. 07-21, MS 99770, 10/1/07 is removed.

[MS 8110](#), Time Limit for Using EBT Benefits, is revised to incorporate OM Update No. 07-21, MS 99770, 10/1/07 to state the EBT food stamp account must be debited at least once every twelve months or benefits may be removed. The cross-reference to OM Update No. 07-21, MS 99770, 10/1/07 is removed.

[MS 8120](#), Reconciliation of Issuances, is revised to remove the cross-reference to OM Update No. 07-21, MS 99770, 10/1/07, as it was an inappropriate cross-reference.

[MS 8200](#), Replacing EBT Card, is revised to remove the cross-reference to OM Update No. 05-04, MS 99688, 1/1/05, as it was an inappropriate cross-reference.

[MS 8210](#), Authorizing Replacements Due To a Move Out of State, is revised to remove the cross-references to OM Update No. 07-21, MS 99770, 10/01/07 and OM Update 05-04, MS 99688, 1/1/05 as they were inappropriate cross-references.



[MS 8220](#), Authorizing Replacements Due To a Casualty Loss, is revised to obsolete OM Update No. 05-04, MS 99688, 1/1/05 as it was an inappropriate cross-reference.

#### Volume VI

MS 3220, VA Educational Income, is deleted. All VA Educational Income is excluded as stated in MS 5210.

[MS 4220](#), FS Application Time Standards, is revised to obsolete the procedures concerning applications pending for optional verification, as this procedure is no longer necessary. KAMES will process the case appropriately on the 30<sup>th</sup> day, without optional information.

The [Table of Contents](#) is revised to delete MS 3220, VA Educational Income.

#### Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

OM Upd. No. 06-19, MS 99738, 9/16/06

OM Update No. 05-04, MS 99688, 1/1/05, is revised to remove the cross-reference to Vol. II as it was an inappropriate cross-reference.

OM Update No. 07-21, MS 99770, 10/1/07, is revised to remove the cross-reference to Vol. II as the material is now incorporated into the manual.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 314  
October 1, 2008

To: All Field Staff

Subject: Acquired Brain Injury (ABI) Long Term Care (LTC) Waiver

This OMTL is issued to outline the procedural instructions regarding the Medicaid ABI LTC Waiver which is effective 10/1/08.

Volume IV

[MS 2720](#), Long Term Care Certification, is revised to add the new ABI LTC Waiver to the list of the types of care entered on the LTC screen of KAMES. It is further revised to add ABI LTC Waiver to the list of the types of care entered on the PA-62 system.

Volume IVA

[MS 3030](#), ABI Long Term Care (LTC) Waiver, is created to outline the procedural instructions for the new waiver implemented by Medicaid. This waiver is designed to assist individuals who require continued support services beyond the intensive rehabilitation phase that the regular ABI Waiver offers.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 313  
October 1, 2008

To: All Field Staff

Subject: EXCEPTIONS TO TRANSFER OF RESOURCES TO A BLIND OR DISABLED  
CHILD

This OMTL is issued to correct policy regarding transfer of resources, other than homestead property, to a blind or disabled child.

Volume IVA

[MS 2070](#), Exceptions to Transfer of Resources, is revised to clarify the conditions for transferring resources to a blind or disabled child. The Centers for Medicare and Medicaid Services (CMS) has clarified that for the transfer to be allowable, it must be for the sole benefit of the blind or disabled child. This type of resource transfer must be placed in a Special Needs Trust, which would require review by the Department for Medicaid Services (DMS).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 312  
October 1, 2008

To: All Field Staff

Subject: Basis of Issuance and Farm Bill Revisions

To ensure Kentucky's compliance with federal regulations, revisions have been made to Vol. II based on the 2008 Farm Bill and the annual cost-of-living adjustments to Food Stamp Program benefit levels and deductions.

Volume II

The [Table of Contents](#) is revised to remove MS 5460.

[MS 5200](#), Income Eligibility Scale, is revised to include the new income scale based on the cost-of-living adjustments.

[MS 5400](#), Deductions-General, is revised to reflect the new standard deduction amounts based on cost-of-living adjustments. This section is also revised to include information on the maximum shelter deduction that was previously in MS 5460 and to specify the new maximum shelter deduction amount as \$446.

[MS 5450](#), Dependent Care Deduction, is revised to remove the limits on the dependent care deduction in accordance with the 2008 Farm Bill.

MS 5460, Shelter Deduction-General, is deleted as this information has been combined into [MS 5400](#).

[MS 5800](#), Calculation of Allotment, is revised to include a table specifying the Maximum Food Benefit Allotment based on household size. This section is also revised to remove reference to the dependent care limits, change the minimum allotment to \$14, include references to the Income Scale that is now incorporated into [MS 5200](#), and specify the maximum shelter deduction amount as \$446.

[MS 5810](#), Special Procedures for Calculation, is revised to remove reference to the dependent care limits.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 311  
October 1, 2008

To: All Field Staff

Subject: Miscellaneous Changes

This OMTL revises the manual sections described below to incorporate material found in Volume X updates. This OMTL further revises miscellaneous manual sections to incorporate small changes.

Volume I

The [Table of Contents](#) is revised to change the title to [MS 0302](#), from K-TAP Direct Deposit to K-TAP/SSP Direct Deposit.

[MS 0302](#), K-TAP/SSP Direct Deposit, is revised to remove the following cross-references: OM Upd. No. 08-01, MS 99777, State Supplementation Direct Deposit, 1/1/08, OM Upd. No. 07-21, MS 99770, Changes to Electronic Benefit Transfer for Issuance of K-TAP and Kinship Care, 10/01/07 and policy clarification issued 10/7/02, Direct Deposit, as these are incorporated into the manual. This manual section is further revised to change the title from K-TAP Direct Deposit to K-TAP/SSP Direct Deposit.

Volume IV

The [Table of Contents](#) is revised to change the title to [MS 1290](#), Adding a Household Member, to make the title on the Table of Contents match the title on the actual manual section.

[MS 1290](#), Adding a Household Member, is revised to delete the cross-reference to the clarification titled PAFS-16, issued on March 20, 2006, as this clarification was incorporated into the manual in a previous OMTL.

[MS 2720](#), Long Term Care Certification, is revised to explain that ABI cases will have two PRO Certs for an individual and workers will need to enter the information of each PRO CERT. It is further revised to explain that a "C" is displayed at the end of the case manager PRO CERT and a "P" is displayed at the end of a primary PRO CERT. A "B" is displayed when the individual has the same provider for both the case manager and primary PRO CERTS, and workers will have to enter both PRO CERTS.

Volume IVA

The [Table of Contents](#) is revised to obsolete MS 5160, Approvals/Denials, as this material is incorporated into other manual sections.

[MS 1370](#), Application Process, is revised to change the title.

[MS 1900](#), Life Expectancy Table, is revised to update the period life table with the most current table provided by the Social Security Administration in 2004.

[MS 2650](#), Introduction to Spend Down, is revised to remove the cross-reference to OM Upd. No. 07-17, MS 99766, Spend Down Changes, 9/1/07, as it is incorporated into the manual.

[MS 2815](#), Michelle P. Waiver, is revised to change the effective admission date to July 14, 2008.

[MS 4930](#), Application Process, is revised to remove the cross reference to OM Upd. No. 07-08, MS 99757, State Supplementation Conversion to KAMES, 4/1/07, as the material is incorporated into this manual section. It is also revised to change the title of this MS and to incorporate manual material from MS 5160, MS 5190 and MS 5200.

[MS 4940](#), Recertification/Review Process, is revised to remove the cross reference to OM Upd. No. 07-08, MS 99757, 4/1/07, as the material is incorporated into this manual section. It is further revised to incorporate manual material from [MS 5170](#) and [MS 5200](#).

MS 5160, Approvals/Denials, is now obsolete. The material has been incorporated into MS 4930, Application Process.

MS 5165, Change From One PC Home To Another PC Home, is now obsolete. The material has been incorporated into MS 5180, Category Change.

MS 5170, Discontinuances, is now obsolete. The material has been incorporated into MS 4940, Recertification/Review Process.

[MS 5180](#), Category Change, is revised to remove the cross reference to OM Upd. No. 07-08, MS 99757, 4/1/07, as it is incorporated into this manual section. It is also revised to incorporate manual material from MS 5165. [MS 5180](#) is further revised for clarity.

MS 5190, Payment Authorization, is now obsolete. The section on processing SSP payments on the PA-62 system is obsolete as all SSP cases are now entered on KAMES. The section on processing SSP payments on KAMES has been incorporated into MS 4930, Application Process.

MS 5200, Notification, is now obsolete. The section on notification for SSP cases on the PA-62 system is obsolete as SSP cases are now on KAMES. The section regarding KAMES' automatic issuance of appropriate SSP notification entered has been incorporated into [MS 4930](#) and [MS 4940](#).

[MS 5235](#), Return of SSP Checks, is revised to remove the cross reference to OM Upd. No. 08-01, MS 99777, 1/1/07, as it is incorporated into this manual section. MS 5235 is further revised for clarity.

The [Table of Contents](#) is revised to delete the following as they are now incorporated into the appropriate manual sections and are now obsolete:

- OM Upd. No. 03-26, MS 99635, Stretcher Service, 7/1/03 and its addendum.
- OM Upd. No. 07-08, MS 99757, State Supplementation Conversion to KAMES, 4/1/07.
- OM Upd. No. 07-17, MS 99766, Spend Down Changes, 9/1/07.
- OM Upd. No. 08-01, MS 99777, State Supplementation Direct Deposit, 1/1/08.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 310  
September 1, 2008

To: All Field Staff

Subject: Various Revisions to Volume I

VOLUME I

[Table of Contents](#) is revised to add [MS 0140](#), Documentation.

[MS 0506](#) is revised to include that a copy of form PAFS-343.1, Response to Quality Control Errors, is forwarded to the DCBS Quality Branch, attention FS or PA section supervisor, and to change Office of Program Enhancement to Office of Performance Enhancement. It is also revised to incorporate OM Update No. 07-12, MS 99761, 5/1/07, which states form PAFS-343.1 is to be completed on agency/recipient errors and related observations. It is further revised to replace Virginia Carrington's name with K-TAP Section Supervisor.

[MS 0568](#) is revised to add a fax number for the Hearings Branch to expedite the processing of hearing requests.

[MS 0594](#) is revised to remove the names of Central Office staff to whom exceptions to hearings are sent and to add that they are to be sent to the Branch Manager of the appropriate program with a CC to the Supervisor of the appropriate section.

[MS 0100](#) is revised to add a hyperlink to Equal Employment Opportunities' (EEO) website for the Civil Rights pamphlet.

[MS 0102](#) and [MS 0106](#) are revised to state that any individual who becomes aware of any discrimination complaint must notify the EEO/Civil Rights Compliance Branch Manager in writing of the complaint. [MS 0102](#) is also revised to remove any references to form PAFS-664, Complaint of Discrimination, as this form is obsolete and replace it with a hyperlink to EEO's website where the Client Civil Rights Complaint form can be found.

[MS 0140](#), Documentation, is created to outline the documentation requirements for all programs.

VOLUME II

[Table of Contents](#) is revised to remove MS 7200, Documentation.

MS 7200, Documentation, is deleted. This information has been revised and moved to Volume I as it now outlines the documentation requirements for all programs.



## VOLUME X

The [Table of Contents](#) is revised to remove OM Update No. 07-12, MS 99761, 5/1/07, as it is incorporated into Volume I, MS 0506 and is obsolete.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 309  
September 1, 2008

To: All Field Staff

Subject: Various Revisions to Volume I

VOLUME I

The following manual sections are revised to change the minimum dollar limits of fraud claims referred to the Office of Inspector General (OIG) from \$1,000 to \$3,000:

- [MS 1575](#), How to Process a Suspected Intentional Program Violation/Intentional Program Violation (SIPV/IPV) Claim;
- [MS 1664](#), Office of Inspector General (OIG) Responsibilities;
- [MS 1668](#), What Cases are Referred to Office of Inspector General (OIG);
- [MS 1670](#), Procedures for Referrals to Office of Inspector General (OIG);
- [MS 1672](#), Office of Inspector General (OIG) Fraud Referrals;
- [MS 1674](#), Office of Inspector General (OIG) Request for Computations;
- [MS 1885](#), How to Establish the Family Alternatives Diversion (FAD) Claim;
- [MS 1870](#), Kinship Care Program Claims; and
- [MS 1895](#), Procedures for Work Incentive (WIN) Reimbursement Repayment.

[MS 1508](#), Determining Eligibility Through Extensive Review, is revised to incorporate the following changes:

- Wording is added to distinguish that DETER is used when normal means of resolution have been exhausted;
- Directions are given for locating a current list of counties with access to the DETER program;
- A statement is made that cases are not to be held untimely pending DETER information; and
- Contact information and instructions for the DETER program are updated.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 308  
September 1, 2008

To: All Field Staff

Subject: QI-1 RECERTIFICATION CHANGES

This OMTL revises the certification period of QI-1 cases. Effective 9/1/08, the certification period for QI-1 cases ends annually in September. The QI-1 recertifications will be due in September each year.

Volume I

[MS 0353](#), Worker Responsibilities, is revised to delete the reference to the QI-2 program as that program lost funding in 2003. Institutionalized Hospice is moved from the Included Beneficiary Group for Passport to the Excluded Beneficiary Group. OM Update No. 03-01, QI-2 Eligibility, MS 99602, dated 1/1/03 and OM Update No. 07-16, Passport Changes, MS 99765, dated 7/1/07 are obsoleted as this material is incorporated in the manual.

[MS 0725](#), Qualified Medicare Beneficiaries Standard Conversion, (QDWI, QMB, SLMB, QI1 AND QI2) is revised to delete all references to the QI-2 program as program lost funding in 2003. OM Update No. 03-01, QI-2 Eligibility, MS 99602 dated 1/1/03 is obsoleted as all information has been incorporated.

Volume IVA

[MS 4600](#), Medicare Qualified Individuals Group 1 (QI1), is revised to change the ending certification date to 9/30 of each calendar year. Recertifications will be due in September effective 9/1/08.

Volume X

The [Table of Contents](#) is revised to delete OM Update No. 03-01, QI2 Eligibility, MS 99602, and OM Update No. 07-16, Passport Changes, MS 99765, as they are now obsolete.

OM Update No. 03-01, QI2 Eligibility, MS 99602, dated 1/1/03 is obsoleted as the information contained is incorporated into Volume I of the manual.

OM Update No. 07-16, Passport Changes, MS 99765, dated 7/1/07 is obsoleted as the information contained is incorporated into Volume I of the manual.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 307  
August 1, 2008

To: All Field Staff

Subject: Interpreter Services Vendor Change

Volume I

[MS 0115](#), Providing LEP Services, is revised to reflect the vendor change for interpreter services. The Cabinet no longer uses the Language Line for interpreter services. The new source is Language Services Associates (LSA).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 306  
August 1, 2008

To: All Field Staff

Subject: Citizenship/Identity Verification and Extension of Time-Limited MA  
Changes

Volume I

The [Table of Contents](#) is revised to add [MS 0625](#), Citizenship and Identity Requirements for K-TAP and MA Programs and [MS 0626](#), K-TAP and MA Case Processing for Citizenship Verification.

[MS 0625](#), Citizenship and Identity Requirements for K-TAP and MA Programs, is created to incorporate final citizenship/identity guidelines issued by the Centers for Medicare and Medicaid Services (CMS) for K-TAP and MA into one centralized section of the manual. It is further created to incorporate the manual material from Vol. IV, MS 2020, Citizenship, and Vol. IVA, MS 1570, Citizenship, as these two sections are now obsolete.

[MS 0626](#), K-TAP and MA Case Processing for Citizenship Verification, is created to clarify the citizenship and identity requirements for K-TAP and MA cases. It is further created to explain the system modifications in place that capture citizenship and identity verification requirements.

[MS 2085](#), Extension of Time-Limited MA, is revised to remove the cross reference to OM Upd. No. 03-31, MS 99640, Alien Medicaid Extension Procedures, 9/1/03, as it is incorporated into this manual section. It is further revised to update the mailing/fax information for where the Extension of Time-Limited MA requests are sent.

Volume III

[MS 2314](#), Lack of Birth Verification, is revised to remove the cross references to OM Upd. No. 06-18, MS 99737, Citizenship Verification, 7/1/06, and its addendum, OM Upd. No. 07-05, 99754, System Modifications for Citizenship Verification, 2/1/07, and to remove the cross reference to OM Upd. No. 07-25, MS 99774, Citizenship Changes, 12/1/07, as these are inappropriate cross-references.

[MS 2334](#), Residency, is revised to remove the cross-references to OM Upd. No. 06-18, MS 99737, 7/1/06, and its addendum, OM Upd. No. 07-05, MS 99754, 2/1/07, and OM Upd. No. 07-25, MS 99774, 12/1/07, as it is incorporated into this manual section. It is further revised to remove the cross-reference to a policy clarification titled "Unverified Citizenship", as this is an inappropriate cross-reference.

[MS 2336](#), Verification of Residency, is revised to remove the cross-references to OM Upd. No. 06-18, MS 99737, Citizenship Verification, 7/1/06, and its addendum, OM Upd. No. 07-05, MS 99754, System Modifications for Citizenship Verification, 2/1/07, and to remove the cross-reference to OM Upd. No. 07-25, MS 99774, Citizenship Changes, 12/1/07, as these are inappropriate cross-references.

#### Volume IV

The [Table of Contents](#) is revised to obsolete MS 2020, Citizenship, as this material is incorporated into other manual sections.

MS 2020, Citizenship, is now obsolete. The procedures are moved to Vol. I, [MS 0625](#) and [MS 0626](#).

#### Volume IVA

The [Table of Contents](#) is revised to obsolete MS 1570, Citizenship, and MS 4980, Citizenship, as these are incorporated into other manual sections.

MS 1570, Citizenship, is now obsolete. The procedures are moved to Vol. I, [MS 0625](#) and [MS 0626](#).

MS 4980, Citizenship, is now obsolete. The procedures are moved to Vol. I, [MS 0625](#) and [MS 0626](#).

#### Volume X

The [Table of Contents](#) is revised to delete the following as they are now incorporated into the appropriate manual sections and are now obsolete:

OM Upd. No. 03-31, MS 99640, Alien Medicaid Extension Procedures, 9/1/03.

OM Upd. No. 06-18, MS 99737, Citizenship Verification, 7/1/06 and its addendum.

OM Upd. No. 07-05, MS 99754, System Modifications for Citizenship Verification, 2/1/07.

OM Upd. No. 07-25, MS 99774, Citizenship Changes, 12/1/07.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 305  
August 1, 2008

To: All Field Staff

Subject: Transfer of Resources and Home Equity

Volume III

[MS 2490](#), Transferred Liquid Resources, is revised to delete the cross-reference to OM Upd. No. 05-18, MS 99702, Resource Check Verification on KAMES for LTC Cases, 5/1/05, as this material is incorporated into the manual.

Volume IVA

The [Table of Contents](#) is revised to change the title to MS 1975, Recognition of an institutionalized Individual's Homestead Resources. It is also revised to add MS 2081, Entering Transfer of Resources Disqualifications. It is further revised to change the title to MS 2140, Resource Eligibility Determination for Applicants with a Community Spouse.

[MS 1890](#), Annuities, is revised to delete the cross-references to OM Upd. 07-01, MS 99750, Annuity Changes, 1/1/07 and OM Upd. 07-10, MS 99759, Annuity, 5/1/07, as this material is incorporated into the manual.

[MS 1940](#), Jointly Held Resources, is revised to delete the cross-references to OM Upd. No. 07-04, MS 99753, Transfer of resources, 2/1/07 and its addendum, and OM Upd. No. 07-06, MS 99755, System Changes for Transfer of Resource Policy, 3/5/07, as this material is incorporated into the manual. It is further revised to correct the date that is considered when looking at a transfer of jointly held resources.

[MS 1970](#), Liquid Assets, is revised to add a link to MS 2330. It is further revised to add an opening paragraph giving a brief description of a liquid asset.

[MS 1975](#), Recognition of an Institutionalized Individuals Homestead Resources, is revised to delete the cross-reference to OM Upd. No. 07-02, MS 99751, Home Equity, 1/1/07, as this material is incorporated into the manual. It is further revised to change the title and to re-format the body outline of this manual section.

[MS 2050](#), Transfer of Resources, is revised to delete the cross-references to OM Upd. No. 07-04, MS 99753, 2/1/07 and its addendum, and OM Upd. No. 07-06, MS 99755, 3/5/07, as this material is incorporated into the manual.

[MS 2070](#), Exceptions to Transfer of Resources, is revised to delete cross-references to OM Upd. No. 07-04, MS 99753, 2/1/07 and its addendum, and OM Upd. No. 07-06, MS 99755, 3/5/07 as these are inappropriate cross-references. It is further

revised to correct the date that is considered when looking at a transfer of resources into a trust.

[MS 2080](#), Consideration of Transferred Resources, is revised to delete the cross-references to OM Upd. No. 07-04, MS 99753, 2/1/07 and its addendum, and OM Upd. No. 07-06, MS 99755, 3/5/07 as this material is incorporated into the manual.

[MS 2081](#), Entering Transfer of Resources Disqualifications, is created to incorporate manual material from OM Upd. No. 07-06, MS 99755, 6/5/07.

[MS 2140](#), Resource Eligibility Determination for Applicants with a Community Spouse, is revised to delete the cross-reference to OM Upd. No. 07-02, Ms 99751, 1/1/07, as this is an inappropriate cross-reference. It is further revised to change the title to reflect the content of this manual section.

## Volume X

The [Table of Contents](#) is revised to delete OM Upd. No. 05-18, MS 99702, 5/1/08, OM Upd. No. 07-02, MS 99751, 1/1/07, OM Upd. No. 07-06, MS 99755, 3/5/07, as these sections are incorporated into Vol. III and Vol. IVA.

OM Upd. No. 05-18, MS 99702, 5/1/05, is deleted in its entirety as it is incorporated into Vol. III.

OM Upd. No. 07-01, MS 99750, 1/1/07, is deleted in its entirety as it is incorporated into Vol. IVA.

OM Upd. No. 07-02, MS 99751, 1/1/07, is deleted in its entirety as it is incorporated into Vol. IVA.

OM Upd. No. 07-04, MS 99753, 2/1/07 and its addendum is deleted in its entirety as it is incorporated into Vol. IVA.

OM Upd. No. 07-06, MS 99755, 3/5/07 is deleted in its entirety as it is incorporated into Vol. IVA.

OM Upd. No. 07-10, MS 99759, 5/1/07, is deleted in its entirety as it is incorporated into Vol. IVA.

Patricia R. Wilson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 304  
August 1, 2008

To: All Field Staff

Subject: KWP Full-Family Sanction

Volume III

The [Table of Contents](#) is revised to delete MS 2004, 24-Month Work Policy, and to add MS 2007, KWP Full-Family Sanction.

MS 2004, 24-Month Work Policy is deleted. The pertinent information from MS 2004 is incorporated into MS 2007.

[MS 2007](#), KWP Full-Family Sanction, is created to explain the procedures for K-TAP "C" cases that automatically discontinue due to the KWP Full-Family Sanction policy. Full-Family Sanction policy and procedures do not apply to "W" cases. If a "W" case does not comply with the Kentucky Works Program (KWP) the case is discontinued.

KAMES begins the automatic discontinuance of "C" cases subject to a KWP Full-Family Sanction in 9/08 effective for 10/08. An automatic discontinuance of a "C" case due to the Full-Family Sanction does not pend for supervisory approval. The Full-Family Sanction policy applies to K-TAP cases with a work eligible individual who fails to participate in approved KWP activities and:

- Is identified as having received TANF benefits for 6 cumulative months since 8/1/05;
- Is currently serving a 416 disqualification;
- Has served a 416 disqualification in Kentucky for 3 cumulative months since 8/1/05.

[MS 2007](#) incorporates information from OM Update No. 05-27, Reduction of Timeframes for KWP Full-Family Sanctions, dated 8/1/05.

It is no longer a requirement to make two attempts to reach the individual prior to a Full-Family Sanction. When the worker receives the spot check for the Full-Family Sanction, the worker sends form PAFS-628, Exchange of Information, to the local Protection and Permanency (P&P) office for evaluation of Safety Net services for the family. Safety Net services are only available to families with eligible children in the home.

Cases discontinued for the KWP Full-Family Sanction are not approved for K-TAP benefits before 2 full weeks of participation is completed. At reapplication, if the

individual successfully participates for 2 weeks or is willing to participate but an activity is not available in the 2-week period, the worker can approve the case.

The clarification dated 6/3/03 titled, 24/6 Policy, is obsolete as the information is no longer appropriate.

The clarification dated 10/26/05 titled, FAD Eligibility, is obsolete as the information is incorporated into the manual section. When a case discontinues for the KWP Full-Family Sanction, the family is not eligible for FAD.

The clarification dated 3/21/07 titled, Full-Family Sanction, is obsolete as the information is no longer appropriate.

#### Volume X

The [Table of Contents](#) is revised to delete OM Update No. 05-27, MS 99711, Reduction of Timeframes for KWP Full-Family Sanctions, dated 8/1/05 as this update is incorporated into the appropriate manual sections and is now obsolete.

The cross-reference to Vol. III, MS 2004 on OM Update No. 03-16, [MS 99621](#), MA KWP Disqualification, dated 4/1/03 and the Errata to OM Update No. 03-16, [MS 99621E](#), dated 4/1/03 is removed as MS 2004 is obsolete and the information from the Update is incorporated into [Vol. III, MS 2007](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 303  
July 14, 2008

To: All Field Staff

Subject: Michelle P. Waiver

Volume IV

[MS 2720](#), Long Term Care Certification, is revised to add SCL and ABI waivers to the PRO Cert inquiry file. Also, to update sections E and F, types of care for KAMES and the PA-62 system, with SCL, ABI and Michelle P. Waiver.

Volume IVA

The [Table of Contents](#) is revised to add MS 2815.

[MS 2815](#), Michelle P. Waiver, is created to provide instructions for Michelle P. waiver.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 302  
July 1, 2008

To: All Field Staff

Subject: Applying and Curing the KWP Penalty

This OMTL revises the penalty section of Volume IIIA. Effective 7/7/08 the effective date of the KWP penalty is changed to comply with federal requirements.

Volume IIIA

The [Table of Contents](#) is revised to change the titles for [MS 4750](#) to Applying the KWP Penalty and MS 4770 to Curing the KWP Sanction.

[MS 4750](#), Applying the KWP Penalty, is revised for clarity and to incorporate OM Update No. 07-13, [MS 99762](#) and Errata dated 5/1/07 and OM Update No. 05-27, [MS 99711](#) dated 8/1/05. The requirement that two contacts be attempted with the family prior to imposing the full-family sanction is not incorporated as policy is revised to no longer require contacts.

[MS 4750](#) is also revised to provide instruction on entering the date of the KWP prorata penalty. The penalty is applied using the effective date of the reduction of the K-TAP benefits as the date the worker enters in the "Effective Date" field on STEP. This section is revised to remove the statement that supportive services are available to individuals with a KWP penalty once a cure date is entered. In addition, the statement regarding supportive services and a child support penalty is removed. Although these statements remain true, the instruction will be moved to the appropriate manual sections.

The worker cannot enter a future date in the "Effective Date" field on STEP prior to 7/7/08.

[MS 4750](#) is further revised to remove the link to the clarification. The clarification to Debbie Fitzgerald, dated 6/3/03 and titled "OMPU 03-16 Question" is obsolete as the information is in the manual material.

[MS 4770](#), Curing the KWP Sanction, is revised to incorporate OM Update No. 05-27, [MS 99711](#) dated 8/1/05 and to include the new procedure for curing a KWP penalty. In addition, [MS 4770](#) is revised to remove the policy that the KWP penalty is cured when the K-TAP case discontinues. The KWP penalty remains on STEP until the participant complies with KWP activities for 2 weeks or meets good cause or exemption criteria. If the individual successfully participates for 2 weeks or is willing to participate but an activity is not available in the 2-week period, consider the penalty cured as of the first day of the month following the month the individual agreed to participate.

[MS 4770](#) is also revised to provide instruction to delete the sanction on STEP if a KWP penalty is cured before the effective month of the KWP penalty. If the KWP penalty is deleted, manually remove the month of KWP penalty from “YY” tracking screen.

[MS 4770](#) is further revised to remove the clarification links. The first was directed to Debbie Fitzgerald, dated 6/3/03, titled “OMPU 03-16 Question”. The second was directed to Jo Davis, dated 5/14/03, titled “Curing Sanction”. This information is incorporated in the manual material.

#### Volume X

OM Upd. No. 05-27, [MS 99711](#), 8/1/05, is revised to remove the cross-reference to Volume IIIA, [MS 4750](#).

OM Upd. No. 07-13, [MS 99762](#), 5/1/07, and its Errata are revised to remove the cross-reference to Volume IIIA, [MS 4750](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 301  
July 1, 2008

To: All Field Staff

Subject: Afghan and Iraqi Aliens Granted Special Immigrant Status

Section 1059 of the National Defense Authorization Act (NDAA) of 2006 granted special immigration status to Iraqi and Afghan aliens who served as translators for the U.S. military. This special immigration status also applies to their spouses and unmarried dependent children. The special status exempts the Afghan and Iraqi alien from the 5-year ban for a limited period of time.

Volume I

[MS 2000](#) is revised to add information concerning the Afghan and Iraqi aliens granted special immigration status and information on the time limits for the exemption to the 5-year ban.

[MS 2020](#) is revised to include the documents that can verify the special immigration status of the Afghan and Iraqi alien.

Volume II

[MS 2900](#), Alien Status, is revised to include guidance on Iraqi and Afghani immigrants. MS 2900 is also revised to remove the cross-reference to OM Upd. No. 06-18, MS 99737, 7/1/06, its addendum, and OM Upd. No. 07-05, MS 99754, 2/1/07, as they are inappropriate cross-references.

[MS 2905](#), Verification of Citizenship, is revised to state the client's failure to present documentary evidence of citizenship for companion cases DOES NOT MAKE the client's declaration of citizenship questionable for the Food Stamp case.

[MS 2910](#), Verification of Alien Status, is revised to list the forms of verification that Afghani/Iraqi Special Immigrants must provide.

Volume X

OM Upd. No. 06-18, [MS 99737](#), 7/1/06 and its addendum [MS 99737A](#) are revised to strike through the cross-references to Vol. II, MS 2900, as it is an inappropriate cross-reference.

OM Upd. No. 07-05, [MS 99754](#), 2/1/07 is revised to strike through the cross-reference to Vol. II, MS 2900, as it is an inappropriate cross-reference.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 300  
July 1, 2008

To: All Field Staff

Subject: The 2008 Community Spouse Standards

Volume IVA

The [Table of Contents](#) is revised to remove MS 1760, Allocations, Allowances and Standards, as this material is incorporated into MS 1750, Introduction to Financial Eligibility.

[MS 1750](#), Introduction to Financial Eligibility, is revised to incorporate manual material from MS 1760. It is also revised to change the standards for community spouse that are effective 07/01/08. It is further revised to add the instructions for finding Medicaid Works standards on KAMES.

MS 1760, Allocations, Allowances and Standards, is now obsolete. The material has been incorporated into MS 1750.

[MS 3550](#), LTC Individual with Community Spouse, is revised to update the community spouse minimum income allowance and shelter allowance which are effective 07/01/08. It is also revised to update the community spouse maximum income allowance effective 01/01/08. It is also revised to clarify that the telephone standard allowed in the community spouse shelter expenses is \$30.00. It is further revised for clarity and to include grammatical changes.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 299  
July 1, 2008

To: All Field Staff

Subject: Revisions to Volumes I and II

Volume I

The [Table of Contents](#) is revised to include the title change to [MS 1645](#), Penalties for Imposing Intentional Program Violation (IPV) Disqualifications, by removing the words "Penalties for".

[MS 0162](#), Purging Obsolete Material, is revised to indicate the need to annotate the case record with "DO NOT PURGE" when a claim is identified. The link to the Disqualified Recipient Subsystem (DRS) is corrected to MS 1659. Information related to the identification and accommodation of clients with special needs is also incorporated.

[MS 1507](#), Maintaining Claims Control Files, is revised to state that KAMES Inquiry Segment "J" is used to verify Food Stamp participation.

[MS 1525](#), Procedures for Suspected Claims, [MS 1668](#), What Cases are Referred to Office of Inspector General (OIG), [MS 1670](#), Procedures for Referrals to Office of Inspector General (OIG), [MS 1688](#), Collection Procedures for Active Cases-New Claims, and [MS 1690](#), Collection Procedures for Inactive Cases-New Claims, are revised to incorporate changes in procedures for Child Care claims made with [OM Update No. 08-03, MS 99779](#), dated 2/4/08.

[MS 1525](#), Procedures for Suspected Claims, [MS 1670](#), Procedures for Referrals to Office of Inspector General (OIG), [MS 1688](#), Collection Procedures for Active Cases-New Claims, [MS 1690](#), Collection Procedures for Inactive Cases-New Claims, [MS 1760](#), Procedures for Medicaid Program Violation (MPV) Referrals to the Office of Inspector General (OIG), and [MS 1795](#), Procedures for Repayment of Medicaid Program Violation (MPV) Claims are also revised to allow for stand alone Medicaid claims to be entered on KCD once they are adjudicated in court.

[MS 1535](#), How to Determine the First Month of a Food Stamp Claim, is revised to clarify statements relating to the rule of 10-10-10.

[MS 1575](#), How to Process a Suspected Intentional Program Violation/Intentional Program Violation (SIPV/IPV) Claim and [MS 1672](#), Office of Inspector General (OIG) Fraud Referrals, are revised to indicate second party review of PAFS-431, Claim Referral and PAFS-88, OIG Referral Summary/Disposition, prior to submission.



[MS 1575](#), How to Process a Suspected Intentional Program Violation/Intentional Program Violation (SIPV/IPV) Claim, is also revised to incorporate changes made with [OM Update No. 06-29, MS 99748](#), dated 12/1/06, indicating a timeframe of 10 days from the discovery date to enter claims on the KCD system, send an appointment letter and verification forms to the household. It is also revised to state that IHE claims with the SIPV indicator code can be calculated for up to 6 years from the discovery date.

[MS 1620](#), What are the Client's Rights During an Administrative Disqualification Hearing (ADH), is revised to remove the link to MS 0592, which was made obsolete with revisions effective 9/1/06.

[MS 1635](#), Local Office Procedures for Acting on Administrative Disqualification Hearing (ADH) Final Order, is revised to clarify procedure followed by the local office once notice of "Order To Remove from the Docket" is received from the Hearing Branch. "Intentional Household Error" was also corrected to state "Inadvertent Household Error".

[MS 1645](#), Penalties for Imposing Intentional Program Violation (IPV) Disqualifications, is revised to change the section title.

[MS 1670](#), Procedures for Referrals to Office of Inspector General (OIG), is revised to remove obsolete and add simplified procedures for claim referrals. Clarification is made to the timeframe for completing computation requests submitted by OIG. Addition is made to require supervisor review of forms FS-80, Notice of Suspected Intentional Food Stamp Program Violation, and FS-80, Supplement A, Voluntary Waiver of Administrative Disqualification Hearing, prior to mailing. In the introductory paragraph as well as the opening paragraph for MS 1670A, references to Intentional Program Violation (IPV) are changed to Suspected Intentional Program Violation (SIPV). Information related to the identification and accommodation of clients with special needs is also incorporated.

[MS 1672](#), Office of Inspector General (OIG) Fraud Referrals, is also revised to incorporate changes to claim referral procedures and changes made with [OM Update No. 06-29, MS 99748](#), dated 12/1/06, referring to timeframes for entering claims on the KCD system. An addition is made to require supervisor review of forms FS-80, Notice of Suspected Intentional Food Stamp Program Violation, and FS-80, Supplement A, Voluntary Waiver of Administrative Disqualification Hearing, prior to mailing.

[MS 1706](#), KY Tax Offset, is revised to clarify the wording of the Kentucky Tax Offset process.

## Volume II

[MS 2350](#), Criminals, is revised to correct reference to Claims Section Supervisor.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 298  
July 1, 2008

To: All Field Staff

Subject: Ending Work Related Disqualifications

Volume IIA

[MS 2400](#), Work Related Disqualifications, is revised to state the member must cure the work-related disqualification or ineligibility continues until the cure is completed, except when the member is serving a voluntary quit/reduction of work (330) disqualification.

[MS 2500](#), Ending Work Related Disqualifications, is revised to remove the requirement of serving and curing the disqualification for individuals with 330 disqualifications for voluntary quit of a job. [MS 2500](#) is further revised to include new procedures for KAMES in reference to the work related voluntary quit (330) disqualification.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 297  
June 1, 2008

To: All Field Staff

Subject: STEP Work Component and Revisions to Child Care Assistance Referral

A new Kentucky Works Program component for employment is developed to more quickly capture the hours of participation in the initial months of employment for the federal file. The new component code is STEP Entered Employment (SEE). SEE is entered on STEP to capture the first months of employment if the hours are not captured on KAMES.

The Division of Child Care revised the procedure for referral, approval and redetermination of eligibility for the Child Care Assistance Program (CCAP).

Volume I

The [Table of Contents](#) is revised to obsolete MS 1110, Limitations, and MS 1120, Service Agents, as these sections are merged with [MS 1100](#), Overview of the Child Care Assistance Program, and [MS 1115](#), CCAP Eligibility Requirements. Additionally, [MS 1125](#), CCAP Authorization and Referral Process, is renamed CCAP Approval and Referral Process. This is done to correspond with the changes to forms with the Division of Child Care.

[MS 1100](#), Overview of the Child Care Assistance Program, is revised to remove current verbiage and add the web address for the service agents.

MS 1110, Limitations, is obsolete and the contents are merged with [MS 1100](#) and [MS 1115](#).

[MS 1115](#), Eligibility Requirements, is renamed CCAP Eligibility Requirements, and revised to remove the Federal Poverty Level table. Additionally, this manual section is revised to incorporate parts of MS 1110.

MS 1120, Service Agent, is obsolete in its entirety. A link to the service agents web address is found in [MS 1100](#).

[MS 1125](#), CCAP Authorization and Referral Process, is revised to change the title to CCAP Approval and Referral Process. Additionally, this section is revised to update the title of form DCC-85, Approval for Child Care Assistance, and replace form PAFS-86, Referral for Child Care Assistance, with form DCC-86, Referral for Low Income Child Care Assistance.

## Volume IIIA

The [Table of Contents](#) is revised to add [MS 4250](#), STEP Entered Employment (SEE).

Additionally, the Table of Contents is revised to rename [MS 5260](#), Child Care and Two-Parent Cases, and [MS 5270](#), Referral/Authorization for CCAP, to Referral/Approval for CCAP. This is done to correspond to the changes made by the Division of Child Care.

[MS 4250](#) is created to provide detailed policy and procedure concerning the use of the SEE component.

Review [MS 4250](#) thoroughly to ensure the SEE component is entered correctly on STEP. If entered correctly, the employment hours will be included in the federal file and used in the participation rate calculation for the month the hours and wages are entered on STEP rather than the month the wages affect the K-TAP benefits.

[MS 5200](#), Introduction to Supportive Services, is revised for clarity and to change the name from General Information.

[MS 5250](#), Overview of Child Care Assistance, is revised for clarity and to add information on the payment of child care can be paid for component preparation when referring individuals to a KWP contractor.

[MS 5260](#), Limitations, is revised to change the title to Child Care and Two-Parent Cases.

[MS 5270](#), Referral/Authorization for CCAP, is revised for clarity and to add information regarding the new procedures for referral, approval and redetermination for CCAP. It is further revised to add information regarding form DCC-86, which replaces form PAFS-86. Also, form DCC-87, Change Report Form for Child Care Assistance, is used by the Department for Community Based Services (DCBS) staff and service agents to exchange information on cases authorized for approval by the DCC-85 process. Additionally, the title of [MS 5270](#) is changed from Referral/Authorization for CCAP, to Referral/Approval for CCAP.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 296  
June 1, 2008

To: All Field Staff

Subject: Basic Utility Allowance/Standard Utility Allowance Revisions

Volume II

[MS 5400](#), Deductions – General, is revised to incorporate the cross-reference to OM Upd. 07-18, MS 99767, 10/01/07, FS Income Standards and BOI.

[MS 5460](#), Shelter Deduction – General, is revised to update the amount of excess shelter deduction.

[MS 5470](#), Allowable Shelter Deductions, is revised to remove the cross-reference to OM Upd. 07-18, MS 99767, 10/01/07, FS Income Standards and BOI, as this manual section was referenced in error.

[MS 5495](#), Expense Covered by Heating and Cooling Costs/Standard Utility Allowance, is revised to incorporate OM Upd. 07-14, MS 99763, 06/01/07, Utility Allowance Revisions, and to update the Standard Utility Allowance (SUA) amount.

[MS 5498](#), Non-Heating and Non-Cooling Costs/Basic Utility Allowance, is revised to remove the cross-reference to OM Upd. 07-14, MS 99763, 06/01/07, Utility Allowance Revisions and to update the Basic Utility Allowance (BUA) amount.

[MS 5500](#), Treatment of Utility Expenses, is revised to remove the cross-reference to OM Upd. 07-14, MS 99763, 06/01/07, Utility Allowance Revisions, as this manual section was referenced in error.

Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

OM Upd. No. 07-14, MS 99763, 6/1/07  
OM Upd. No. 07-18, MS 99767, 10/1/07

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
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To: All Field Staff

Subject: Miscellaneous Changes to Volume IVA

Volume IVA

The [Table of Contents](#) is revised to change the title of MS 2630, Aged, Blind, or Disabled MA and AFDC Related MA Companion Case, and MS 4755, SSI Discontinuance.

[MS 1010](#), Definitions, is revised to add definitions for the terms actuarially sound, resource assessment and Substantial Gainful Activity (SGA). It is also revised to remove the cross-reference to OM Upd. No 07-04, MS 99753, Transfer of Resources, 2/1/07 and OM Upd. No. 07-06, MS 99755, System Changes for Transfer of Resource Policy, 3/5/07 and its addendum as these are inappropriate cross-references.

[MS 2310](#), Nursing Facility Insurance, is revised to give a better explanation of how to consider payments received from a Nursing Facility Insurance policy.

[MS 2610](#), Both Individual and Spouse Are Technically Eligible, is revised to remove the cross-reference to OM Upd. No. 08-04, MS 99780, 3/3/08, as it is an inappropriate cross-reference.

[MS 2620](#), Technically Eligible Individual with Technically Ineligible Spouse, is revised to remove the cross-reference to OM Upd. No. 08-04, MS 99780, 3/3/08, as it is an inappropriate cross-reference. It is further revised to include grammatical changes.

[MS 2630](#), Aged, Blind or Disabled MA With a Family MA or and AFDC Related MA Companion Case, is revised to remove the cross-reference to OM Upd. No. 08-04, MS 99780, 3/3/08, as it is an inappropriate cross-reference. It is further revised to change the title.

[MS 3050](#), Scope of Program, is revised to further explain the responsibilities of Hospice when an individual has terminated, revoked, changed vendors or had a change from a nursing facility to a home setting. This section is also revised to advise workers that forms MAP 374, Election of Medicaid Hospice Benefits, MAP 375, Revocation of Medicaid Hospice Benefits, MAP 376, Change of Hospice Providers, MAP 378, Termination of Medicaid Hospice Benefits, and MAP 403, Hospice Patient Status Change, are used when an individual terminates, revokes, changes vendors or has a change from a nursing facility to a home setting.

[MS 3480](#), Deductions and Allowances, is revised to advise workers that the "65 and ½ the Remainder" is now an allowable deduction for Home and Community Based

Services (HCBS), Hospice Non-Institutionalized, Model Waiver II, Adult Day Care and Acquired Brain Injury (ABI). This is a deduction already allowed for Intermediate Care Facilities for Mentally Retarded (ICF/MR) and Support for Community Living (SCL). This manual section is also revised to explain that the monthly representative payee service fees charged by some Long Term Care (LTC) facilities are not an allowable medical deduction. This manual section is further revised to remove the cross-reference to OM Upd. No. 08-04, MS 99780, 3/3/08, as it is incorporated into the manual.

[MS 3500](#), Special Income Standard, is revised to change the effective day of admission. The 30 full consecutive days is effective the 30<sup>th</sup> day of admission.

[MS 4320](#), Technical Eligibility, is revised to add a link to [MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA).

[MS 4480](#), Deductions, is revised to remove the cross-reference to OM Upd. No. 08-04, MS 99780, 3/3/08, as it is an inappropriate cross-reference.

[MS 4580](#), SLMB Deductions, is revised to remove the cross-reference to OM Upd. No. 08-04, MS 99780, 3/3/08, as it is an inappropriate cross-reference.

[MS 4755](#), SSI Discontinuance, is revised to change the title. It is also revised to clarify that individuals, who are appealing their discontinuance of SSI benefits and have inquired through the local office for a continuation of Medicaid benefits, must make that request through the Social Security Administration.

[MS 4960](#), Non-SSI Individuals, is revised to add a link to [MS 3912](#) Medicaid Works Substantial Gainful Activity (SGA).

## Volume X

The [Table of Contents](#) is revised to delete OM Upd. No. 08-04, MS 99780, 3/3/08 as it is incorporated into the manual.

OM Upd. No. 08-04, MS 99780, 3/3/08, is deleted in its entirety as it is incorporated into the manual.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 294  
June 1, 2008

To: All Field Staff

Subject: Revisions to Volume IV

Volume IV

The [Table of Contents](#) is revised to add the subchapter, Long Term Care Certification, MS 2720-2749. It is also revised to add [MS 2645](#), Private Non-Profit Adoptions Overview, [MS 2720](#), Long Term Care Certification and [MS 3470](#), Verification of Zero Income. It is also revised to remove "related" from the title of [MS 3160](#).

The Volume name on all manual sections is changed from "Family Related Medicaid" to "Family Medicaid".

[MS 1000](#) is revised to change the title to "Family Medicaid Overview" and to replace "AFDC Related MA" with "Family MA". It is also revised to incorporate MS 1010 and MS 1080.

MS 1010 is incorporated into [MS 1000](#) and is now obsolete.

[MS 1050](#) is revised to clarify the definition of "minor parent" and to add definitions for "Paternity Adjudication", "categorically needy" and "medically needy".

[MS 1070](#) and [MS 2310](#) are revised to incorporate OM Policy Upd. No. 03-16, MA KWP Disqualifications, MS 99621, 4/1/03, and its Errata, which clarifies that K-TAP recipients who are penalized for failing to participate in the Kentucky Works Program will lose their Medicaid coverage. The reference to children "born after 9/30/83" is removed because these children have aged out of the program. The cross-references to OM Policy Upd. No. 03-16 and its Errata are removed. [MS 2310](#) is also revised to change "AFDC" to "K-TAP", replace "JOBS" with "KWP", remove "Related" from Family MA, to correct punctuation and to remove the cross-reference to children "born after 9/30/83" because these children have aged out. Wording has been added for clarification purposes and category "K" has been added. It has also been revised to clarify the "U" category.

MS 1080 is incorporated into [MS 1000](#) and is now obsolete.

[MS 1200](#) is revised to correct the manual section link number and to incorporate information on where to apply.

MS 1210 is incorporated into [MS 1200](#) and is now obsolete.

[MS 1220](#) is revised to add the statement that DMS considers IRA funds the same as entitled benefits.



[MS 1270](#) is revised to correct punctuation and to incorporate information on household options. It is also revised to incorporate Vol. VI instructions for adding a Juvenile Justice child on KAMES.

MS 1280 is incorporated into [MS 1270](#) and is now obsolete.

[MS 1290](#) is revised to clarify in which situations form PAFS-126 is required when a change is reported and to add citizenship verification policy.

[MS 1320](#) is revised to add the example of requested documentation delays as an unusual circumstance to pend applications over 30 days.

[MS 1330](#) is revised to incorporate OM Policy Upd. No. 03-18, Interested Party Authorization, [MS 99623](#), 5/1/03, which clarifies procedures required to assure applicant/recipient confidentiality for all Medicaid applications made by an interested party. The cross-reference to OM Policy Upd. No. 03-18 is removed. The link to Volume I, [MS 0151](#), is removed as this information is incorporated in this manual section. It is also revised to change the title name of the manual section and to remove resource information.

[MS 1450](#) is revised to add "MA" to Family/AFDC.

[MS 1470](#) is revised to correct punctuation and to remove the "under age 65 and enters a TB hospital" as a timely notice situation.

[MS 1500](#) is revised to correct the address for OIG and correct the manual section link.

[MS 1520](#) is created to give instruction on how to process special circumstance transactions.

[MS 1550](#) is revised to incorporate OM Upd. No. 04-26, IM Certification Period Change, [MS 99680](#), 11/1/04, which changes all Family MA and AFDC-Related MA case approvals to a 12-month certification period that starts with the application month instead of the approval month. The cross-reference to OM Upd. No. 04-26 is removed. The cross-references to OM Upd. No. 02-14, Recertification by Mail, MS 99585, 7/1/02, and its Errata, and OM Upd. 04-25, Mail-In Renewal Changes, MS 99679, 10/1/04, are removed because they were previously incorporated. It is revised to incorporate OM Policy Upd. No. 01-10, Family MA and AFDC-Related MA Policy Changes, MS 99558, 6/1/01, which no longer allows self-declaration of income in all MA categories and no longer allows mail-in recertifications for all MA categories. This update requires that all income be verified. OM Policy Upd. 02-14 no longer requires face-to-face interviews for "I" category recertifications and allows mail-in recertifications for this category only. OM Upd. No. 04-25 changes the due dates for "I" category mail-in renewal forms (KIP-2SR and KIP-2SRA) to earlier dates in order to allow workers more time to enter the renewals. The cross-references to OM Policy Upd. No. 01-10, OM Policy Upd. 02-14, and its Errata, and OM Upd. No. 04-25 are removed. It is also revised to incorporate information from MS 1560 as this is now obsolete.

MS 1560 is now obsolete as the information is incorporated into [MS 1550](#).

[MS 2000](#) is revised to correct punctuation.

[MS 2010](#) is revised to clarify that a copy of the new Social Security card is required for verification of a name change. It is also revised to add a link for good cause criteria for failure to enumerate.

[MS 2020](#) is revised to incorporate citizenship verification procedures from OM Policy Upd. No. 06-18, Citizenship Verification, MS 99737, 7/1/06, and its Addendum, OM Policy Upd. No. 07-05, System Modifications for Citizenship Verification, MS 99754, 2/1/07, and OM Policy Upd. No. 07-25, Citizenship Change, MS 99774, 12/1/07. The cross-references to these updates are removed as the material is incorporated.

[MS 2030](#) is revised to add an introductory paragraph, to correct the eligibility date in "Example 3" and to remove the reference to "P4" in the K-CHIP category. It is also revised to add "E" and "T" to the list of categories and add the 150% and 200% Poverty Level scale age requirements, to clarify the school requirements for children who are age 18, to change "Eligibility Services Branch" to "Medical Support and Benefits Branch" and to add punctuation.

[MS 2040](#) is revised to incorporate OM Policy Upd. No. 02-25, Residency Requirements for Temporary Residents, MS 99596, 9/1/02, which clarifies that individuals who are residing in the state on a temporary basis do not meet residency requirements. The cross-reference to OM Policy Upd. No. 02-25 is removed. It is also revised to add MS links.

[MS 2050](#) is revised to correct the manual section link and to change "DSS" to "Division of Protection and Permanency (P&P)".

[MS 2070](#) is revised to correct punctuation. It is also revised to remove the cross-reference to OM Upd. No. 06-30, [MS 99749](#), 12/1/06, and [Addendum](#) to OM Upd. No. 06-30, [MS 99749](#), 12/1/06, as they are not applicable.

[MS 2080](#) is revised to remove the instructions for the Field Services Supervisor to make the determination of whether an individual is in a community residence or a public institution as it is no longer applicable.

[MS 2100](#) is revised to remove the cross-references to OM Upd. No. 06-30, [MS 99749](#), 12/1/06, and [Addendum](#) to OM Upd. No. 06-30, [MS 99749](#), 12/1/06, as they are not applicable. It is also revised to incorporate information from Vol. IV, MS 2110 and to change "DSI" to Department for Community Based Services (DCBS).

MS 2110 is now obsolete as it is incorporated into Vol. IV, [MS 2100](#).

[MS 2120](#) is revised to change the name and address for forwarding good cause claims.

[MS 2130](#) is revised to change "Champus" to "TRICARE" and to remove the term "TPL" when referring to DCBS workers. It is also revised to remove the cross-references to OM Upd. No. 06-30, [MS 99749](#), 12/1/06, and [Addendum](#) to OM Upd. No. 06-30, [MS 99749](#), 12/1/06, as they are not applicable.

[MS 2150](#) and [MS 2160](#) are revised to incorporate OM Upd. No. 05-07, KHIPP Changes, MS 99691, 2/1/05, which changes the name "UNISYS" to "Department for Medicaid Services (DMS)". [MS 2160](#) is also revised to include the new address for KHIPP procedures. The cross-references to OM Upd. No. 05-07 are removed.

[MS 2200](#) is revised to correct punctuation and to incorporate information from MS 2260 on situations that do not require a MSE referral. MS 2260 is now obsolete.

[MS 2210](#) is revised to change "OSB" to "MSBB" and to add MSBB's address.

[MS 2220](#) is revised to change "Form CS-333" to "CS-333.3" and add the form name. It is also revised to remove the cross-reference to OM Policy Upd. No. 02-15, KCHIP Applications, MS 99586, 7/1/02, as it was previously incorporated. OM Policy Upd. No. 02-15 is now obsolete.

[MS 2230](#) and [MS 2250](#) are revised to change "CS-333" to "CS-333.3".

[MS 2240](#) is revised to change "Operation Support Branch (OSB)" to "Medical Supports and Benefits Branch (MSBB)" and to clarify that DCS is the Division of Child Support. It is also revised to remove the cross-reference to OM Policy Upd. No. 02-15 as it is an inappropriate cross-reference.

[MS 2250](#) is revised to incorporate information from MS 2260 on situations that require a MSE Referral. MS 2260 is now obsolete.

MS 2260 is incorporated into MS [2200](#), [2250](#) and [2280](#) and is now obsolete.

[MS 2280](#) is revised to add Child Support Agency responsibilities when a MSE Referral is made. This information is obtained from MS 2260, which is now obsolete.

[MS 2300](#) is revised to add "Family MA" and to change "AFDC" to "K-TAP".

[MS 2310](#) is revised to correct punctuation and to include K-TAP individuals who fail to participate in the Kentucky Works Program (KWP) as sanctioned individuals.

[MS 2320](#) is revised to remove instructions for workers to send the Notice of Adverse Action and to state that participants in a strike are eligible to receive MA only in the "I" category. It is also revised to state that "I" eligibility is to be explored if a SR or SP is a strike participant as of the last day of the month and the strike is not resolved within the 10-day timely notice period and if a nonresponsible SR is removed on the first work day of the next month if that individual is a strike participant as of the last day of the previous month.

[MS 2400](#) is revised to add "AFDC Related MA" and to correct punctuation.

[MS 2410](#) is revised to incorporate OM Policy Upd. 03-24, Caretaker/Specified Relative, MS 99632, 7/1/03, which removes great-great-grandparents, step-grandparents and first cousins once removed as caretaker/specified relatives. The cross-reference to OM Policy Upd. No. 03-24 is removed. OM Policy Upd No. 03-24 is now obsolete as the material is incorporated in the manual.

[MS 2420](#) is revised to remove information regarding "Grandfathered-In" children.

[MS 2500](#) is revised to remove "Related" from Family MA.

[MS 2520](#) is revised to add an introductory paragraph and to remove "Related" from Family MA.

[MS 2530](#) is revised to add the "T" category to the "Desertion" section when explaining that the 30-day criteria does not apply when a child is receiving benefits in the "N" or "T" category and one of the parents leaves the home. It is also revised to clarify forced separation.

[MS 2560](#) is revised to state that both parents' income is not considered when joint custody is not being followed.

[MS 2570](#) is revised to remove "Related" from Family MA.

[MS 2600](#) is revised for grammatical changes.

[MS 2610](#) is revised to clarify the work registration procedures and to remove the cross-references to OM Upd. No. 06-13, K-TAP and Medicaid Work Registration, MS 99732, 4/1/06, and its Addendum, as they are incorporated.

[MS 2615](#) is revised to clarify the requirements for unemployment deprivation.

[MS 2630](#) is revised to remove the cross-reference to OM Upd. 05-31, New Recipient Status Codes for Special Circumstance, MS 99715, 10/1/05, as it is an inappropriate cross-reference. It is also revised to correct punctuation.

[MS 2640](#) is revised to change the "U" category to "P" category, as it was an incorrect category, to change the wording to say that "S" category vendor payments must be issued by special circumstance, and to remove the cross-reference to OM Upd. 04-09, Changes in Special Circumstance Processing, MS 99661, 2/7/04, as it is an inappropriate cross-reference. It is revised to remove OM Upd. No. 06-30, MS 99749, 12/1/06, and Addendum to OM Upd. No. 06-30, MS 99749, 12/1/06, as they are now obsolete.

[MS 2645](#) is created to clarify that private non-profit adoption agencies are required to provide affidavits to the court addressing reimbursement for medical expenses paid by credit card.

[MS 2660](#) is revised to change the instructions to establish a new case record from the "P" category to the "S" category and to change "P & P worker" to "Children Benefits Worker (CBW)".

[MS 2670](#) is revised to clarify field staff responsibilities for referring "U" category individuals to Central Office and adding Central Office's case processing responsibilities. It is also revised to incorporate OM Upd. No. 07-20, MS 99769, PAFS-97 Process An On-Line Function of KAMES, 10/1/07.

[MS 2690](#) and [MS 2710](#) are revised to incorporate OM Upd. 05-06, Long Term Care Certification Automation, MS 99690, 2/1/05, which outlines the procedures for using the automated certifications from the Peer Review Organization (PRO). References to category "U" in these sections are also changed to read category "P" as it was an incorrect category. [MS 2710](#) is also revised to change one reference from category "U" to category "I" as it was an incorrect category. Both sections are further revised to remove the cross-references to OM Upd. No. 04-09 as it is an inappropriate cross-reference. The cross-references to OM Upd. 04-09 and OM Upd. 05-06 are removed from both sections.

[MS 2700](#) is revised to correct the manual section link number.

[MS 2720](#) is created to clarify the long term care certification automation procedures.

[MS 2750](#) is revised for grammatical changes and to clarify procedures for considering multiple births in determining family size.

[MS 2760](#) and [MS 2770](#) are revised to correct punctuation to program category letters. [MS 2770](#) is also revised to remove "Related" from Family MA.

[MS 2780](#) is revised to correct punctuation.

[MS 2800](#) is revised to correct punctuation and to remove the cross-reference to OM Upd. No. 05-31 as it is an inappropriate cross-reference.

[MS 2810](#) is revised to remove "Related" from Family MA.

[MS 2850](#) is revised to change the dates on the examples, to change wording for MA eligibility and to correct punctuation. It is further revised to update the Medical Support and Benefits Branch name, to separate one section into two sections, to change "child support referral" to "MSE referral" and to remove "Related" from Family MA.

[MS 2860](#) is revised to correct punctuation to program category letters and to change "MAID" to "KYHEALTH card".

[MS 2870](#) is revised to remove the "P4" category as an "I" category as these children have an aged out, change "MAID" to "KYHEALTH" card, and to add that a child who has been adopted may receive medical assistance in the "I" category. The cross-reference to OM Upd. No. 06-30, MS 99749, 12/1/06, and Addendum to OM Upd. No. 06-30, MS 99749, 12/1/06, are removed as they are now obsolete.

[MS 2872](#) is revised to change the KenPAC Help Desk phone number.

[MS 2880](#) is revised to correct punctuation.

[MS 2890](#) and [MS 2891](#) are revised to incorporate OM Policy Upd. No. 02-15 which makes form CHP-1, Application for Kentucky Children's Health Insurance Program, obsolete and requires a face-to-face interview for KCHIP applications. [MS 2890](#) is further revised to remove the "P4" K-CHIP category as it is no longer applicable. These sections are also revised to remove the cross-references to OM Policy Upd. No. 02-15. [MS 2891](#) is further revised to remove the cross-reference to OM Policy Upd. 02-11, KCHIP Eligibility Change, MS 99582, 7/1/02, as it has been incorporated. OM Policy Upd. No. 02-15 and OM Policy Upd. 02-11 are obsolete as they are now incorporated in the manual.

[MS 2892](#) is revised to explain that a face-to-face interview is required for a K-CHIP application.

MS 2893 is obsolete as a result of the incorporation of OM Policy Upd. No. 02-15, which makes form CHP-1, Application for Kentucky Children's Health Insurance Program, obsolete and requires a face-to-face interview for KCHIP applications.

[MS 2894](#) is created to explain "P7" case processing.

[MS 2900](#) is revised to incorporate OM Upd. No. 03-39, TMA Premiums, [MS 99649](#), 11/1/03, its [Addendum](#), which outlines the employment requirements for the second 6-month period of TMA eligibility. The cross-references to OM Upd. No. 03-39 and its Addendum are removed.

[MS 2910](#) is revised to correct punctuation and to remove the policy clarification link.

[MS 2920](#) and [MS 2980](#) are revised to incorporate OM Policy Upd. No. 01-10, which requires a face-to-face recertification interview to determine ongoing eligibility in the 12<sup>th</sup> month of TMA. The cross-references to OM Policy Upd. No. 01-10 are removed.

[MS 2930](#) and [MS 2940](#) are revised to remove the cross-references to OM Upd. No. 03-39 and its Addendum as they are inappropriate cross-references.

[MS 2960](#) is revised to incorporate OM Policy Upd. No. 01-09, TMA Alternate Programming, MS 99557, 6/1/01, which notifies field staff that KAMES programming was implemented to alternate program a TMA case to the "I" category 200% scale in the second 6-month period when the earned income exceeded the 185% poverty level scale. The cross-references to OM Upd. No. 01-09, OM Upd. No. 03-39 and its addendum are removed. The cross-reference to OM Policy Upd. No. 01-10 is also removed as it is an inappropriate cross-reference. OM Upd. No. 01-09 and OM Policy Upd. No. 01-10 are obsolete as they are incorporated in the manual.

[MS 2965](#) is created to incorporate OM Upd. No. [03-39](#) and its [Addendum](#), which informs field staff that TMA recipients with countable monthly earnings of \$1,000 or more are required to pay a \$30 monthly premium.

[MS 2980](#) is revised to remove the cross-reference to OM Pol. Up. 01-10, MS 99558, 6/1/01, as it is now obsolete and remove the reference to the mail-in recertification process.

[MS 3050](#) is revised to remove "Related" from Family MA.

[MS 3100](#) is revised to correct punctuation.

[MS 3110](#) and [MS 3120](#) are revised to correct grammatical errors. [MS 3120](#) is further revised to correct the Cabinet name and to spell out the name of Division of Protection and Permanency.

[MS 3140](#) is revised to correct punctuation.

[MS 3150](#) is revised to remove "Related" from Family MA.

[MS 3160](#) is revised to remove "Related" from Family MA.

[MS 3250](#) is revised to remove "Related" from Family MA.

[MS 3260](#) is revised to incorporate resource information from [MS 1330](#) and to remove "Related" from Family MA.

[MS 3290](#) is revised to remove "Related" from Family MA.

[MS 3330](#) is revised to add instructions for sending Lifetime Care Agreements to DMS for review and to correct punctuation.



[MS 3460](#) is revised to change "Do not" to "DO NOT".

[MS 3470](#) is created from OM Upd. No. 05-12, Verification of Zero Income, MS 99696, 3/1/05, to clarify procedures to verify zero income.

[MS 3500](#) is revised to incorporate OM Upd. No. 05-12, Verification of Zero Income, MS 99696, 3/1/05, which outlines procedures to verify zero income. It is also revised to remove the cross-references to OM Policy Upd. 01-10 as it is an inappropriate cross-reference.

MS 3510 is obsolete as it is no longer applicable.

[MS 3520](#) is revised to incorporate OM Upd. No. 07-01, Annuity Changes, MS 99750, 1/1/07, and OM Upd. No. 07-10, Annuity, MS 99759, 5/1/07, which outlined DRA changes to annuity beneficiaries, and to remove these cross-references.

[MS 3550](#) is revised to removed "Related" from Family MA.

[MS 3700](#) is revised to add a link to Vol. IV, MS 3470, for instructions to verify zero income.

[MS 3770](#) is revised to add the statement that compensation paid to officers is not a deduction in farm/nonfarm income.

[MS 3830](#) is revised to correct punctuation.

[MS 3850](#) is revised to add Tobacco Settlement Income as excluded income and to remove non-emergency medical transportation as an excluded income.

[MS 3910](#) is revised to correct punctuation.

[MS 3920](#) is revised to correct punctuation.

[MS 3960](#) is revised to correct punctuation.

[MS 3970](#) is revised to correct punctuation.

[MS 3980](#) is revised to correct punctuation.

[MS 4100](#) is revised to remove "Related" from Family MA.

[MS 4110](#) is revised to remove duplicate listing of "23-24 months".

[MS 4140](#) is revised to refer recipients to Regional Broker for medical transportation.

[MS 4150](#) is revised to refer recipients to Regional Broker for medical transportation.

[MS 4160](#) is revised to reflect correct contact information for EPSDT.

[MS 4170](#) is revised to correct grammatical errors and to change the title to "EPSDT Long Term Care". It is also revised to add information regarding EPSDT LTC services being available to individuals under the age of 21.

[MS 4210](#) is revised to add “QMB” to title.

[MS 4220](#) is revised to add “QMB” to title.

[MS 4250](#) is revised to add “QMB” to title.

[MS 4260](#) is revised to incorporate current QMB processing procedures and to incorporate OM Upd. No. 05-31, which informs field staff that new codes are added to KAMES for QMB and SLMB recipients. It is also revised to remove OM Upd. No. 05-31.

Further AFDC Related MA revisions are forthcoming.

#### Volume VI

[MS 1620](#), Caretaker Relative Procedures, is revised to remove the word “Related” from the category of Family MA.

#### Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

- OM Policy Upd. No. 01-09, MS 99557, 6/1/01;
- OM Policy Upd. No. 01-10, MS 99558, 6/1/01;
- OM Policy Upd. No. 02-11, MS 99582, 7/1/02;
- OM Policy Upd. No. 02-14, MS 99585, 7/1/02;
- OM Policy Upd. No. 02-14, (Errata) MS 99585, 7/1/02;
- OM Policy Upd. No. 02-15, MS 99586, 7/1/02;
- OM Policy Upd. No. 02-25, MS 99596, 9/1/02;
- OM Policy Upd. No. 03-24, MS 99632, 7/1/03;
- OM Upd. No. 04-25, MS 99679, 10/1/04;
- OM Upd. No. 05-07, MS 99691, 2/1/05;
- OM Upd. No. 06-30, MS 99749, 12/1/06; and
- Addendum to OM Upd. No. 06-30, MS 99749, 12/1/06.

OM Policy Upd. No. 03-16, [MS 99621](#), 4/1/03 and its [Errata](#) are revised to remove the cross-references to Vol. IV, MS 1070, and MS 2310 as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Policy Upd. No. 03-18, [MS 99623](#), 5/1/03 is revised to remove the cross-reference to Vol. IV, MS 1330 as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 03-39, [MS 99649](#), 11/1/03 and its [Addendum](#) are revised to remove the cross-references to Vol. IV, MS 2900, MS 2930, MS 2940 and MS 2960 as the material is now incorporated into the manual. They are also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 04-09, [MS 99661](#), 2/7/04 is revised to remove the cross-references to Vol. IV, MS 2070, MS 2640, MS 2690, MS 2710, MS 2810 and MS 2880 as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.



OM Upd. No. 04-26, [MS 99680](#), 11/1/04 is revised to remove the cross-reference to Vol. IV, MS 1550 as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 05-06, [MS 99690](#), 2/1/05 is revised to remove the cross-references to Vol. IV, MS 2690 and MS 2710 as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 05-12, [MS 99696](#), 3/1/05 is revised to remove the cross-reference to Vol. IV, MS 3500, MS 3700 and MS 4360 as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 07-01, [MS 99750](#), 1/1/07 and OM Upd. No. 07-10, [MS 99759](#), 5/1/07, are revised to remove the cross-references to Vol. IV, MS 3520, as the material is now incorporated into the manual. They are also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 07-05, [MS 99754](#), 2/1/07, and OM Upd. No. 07-25, [MS 99774](#), 12/1/07, are revised to remove the cross-references to Vol. IV, MS 2020, as the material is now incorporated into the manual. They are also revised to add a cross-reference to OMTL-294, 6/1/08.

OM Upd. No. 07-20, [MS 99769](#), 10/1/07, is revised to remove the cross-reference to Vol. IV, MS 2670, as the material is now incorporated into the manual. It is also revised to add a cross-reference to OMTL-294, 6/1/08.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter 293  
May 1, 2008

To: All Field Staff

Subject: Revisions to Pass Through Policy

Volume IVA

The [Table of Contents](#) is revised to add the following:

- [MS 4155](#), Acronyms and Definitions;
- [MS 4235](#), Applicant with Eligible Spouse; and
- [MS 4245](#), Pass Through for Individual Losing SSP.

The [Table of Contents](#) is further revised to delete MS 4210, Application Process, and to rename [MS 4250](#) "Application Process" as the contents of the former MS 4210 are added to [MS 4250](#). Additionally, it is revised to change the title of [MS 4150](#) to "Pass Through Overview".

[MS 4150](#), Pass Through Review, is revised to change the title to "Pass Through Overview" and to outline the three groups of Pass Through recipients.

[MS 4155](#), Acronyms and Definitions, is created to outline acronyms and definitions commonly used in Medicaid and Pass Through.

[MS 4160](#), Concurrent SSI/SSP, is revised for clarity of wording and to add instructions for Pass Through computation for this group of recipients.

[MS 4180](#), Disabled Adult Child, is revised for clarity of wording and to add information regarding the age limits and RSDI claim number for this group of recipients. It is further revised to add instructions for Pass Through computation and to incorporate OM Update No. 06-16, Disabled Adult Child (DAC) Pass Through, MS 99735, 6/1/06.

[MS 4190](#), Disabled Early Widows and Widowers or Disabled Surviving Divorced Spouses with No Medicare Part A, is revised for clarity of wording and to add instructions to explore eligibility for QMB, SLMB, QDWI, or QI1 when the Pass Through case terminates. It is further revised to add instructions for Pass Through computation for this group of recipients.

MS 4210 is obsolete as its contents are merged with [MS 4250](#).

[MS 4220](#), Resources, is revised to remove information regarding a blind or disabled child as Pass Through recipients are over 18 years of age.

[MS 4230](#), Income Calculation, is revised to remove instructions for income calculations specific to each Pass Through group and to applicants who have eligible/ineligible spouses or are single or considered single due to a spouse being in LTC for over 30 days. This information was moved to manual sections specific to these groups. MS 4230 is also revised for clarity of wording and to add links to MS 2180 – MS 2470, which contain information regarding countable income for Aged, Blind, Disabled MA.

[MS 4235](#), Applicant with Eligible Spouse, is created to give instruction for income calculation for this particular household situation.

[MS 4240](#), Applicant with Ineligible Spouse, is revised for clarity and to remove Part C, which is not applicable to Pass Through.

[MS 4245](#), Single Applicant or Married Applicant with Spouse in LTC Over 30 Days, is created to give instruction for income calculation for this particular household situation.

[MS 4250](#) is renamed “Application Process” and is revised to incorporate information from the former MS 4210.

[MS 4260](#), Discontinuances, is revised for clarity of wording and to add that the original recertification month is to be restored if a reinstatement is done within the original certification period.

[MS 4270](#), Pass Through Individual Moving to a Nursing Facility or Institutional Hospice, is revised to change “Confirmation Notice” to “PRO Certification” and to add further instruction for income computation and system entry. It is also revised to change the title.

[MS 4280](#), Pass Through Individual in Receipt of Waiver or Non-Institutional Hospice Services, is revised for clarity of wording, to add Non-Institutional Hospice and Institutional Hospice to the list of waiver programs, and to add instructions for system entry. It is further revised to change the title.

## Volume X

The [Table of Contents](#) is revised to remove OM Update No. 06-16, MS 99375, 6/1/06.

MS 99735, Disabled Adult Child (DAC) Pass Through, is obsoleted as it is incorporated into Volume IVA, [MS 4180](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 292  
May 1, 2008

To: All Field Staff  
  
Subject: Miscellaneous Changes

Volume II

[MS 5060](#), Resources Which May or May Not be Counted, is revised as a result of a Food and Nutrition Services (FNS) clarification to clarify how to count resources of deployed military personnel.

[MS 5210](#), Excluded Income, and [MS 6707](#), Simplified Reporting – Acting On Changes, are revised to incorporate OM Update No. 06-03, MS 99722, 1/1/06 and its Errata.

[MS 5210](#) is also revised to state Financial Aid Programs funded under Title IV are excluded income and to also exclude income from National Flood Insurance Program Act (NFIP). [MS 5210](#) is also revised to incorporate the policy clarification that is referenced.

[MS 6707](#) is revised to state to act on all changes that become known to the agency with the exception of the change becoming known to the agency as the result of a New Hire match.

[MS 8220](#), Authorizing Replacements Due To A Casualty Loss, is revised to change the replacement procedures for the amount of food purchased that is subsequently destroyed in a household disaster as a result of a power outage. The Food and Nutrition Service (FNS) has clarified the power has to be off for at least 4 hours or more in order to receive a replacement.

Volume X

The [Table of Contents](#) is revised to delete OM Update No. 06-03, MS 99722, 1/1/06 and its Errata OM Update No. 06-03, MS 99722, 1/1/06 as they are incorporated into the appropriate manual sections and are now obsolete.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 291  
May 1, 2008

To: All Field Staff

Subject: Medicaid Long Term Care Resource Assessments

Volume IVA

[MS 2130](#), Resource Assessment, is revised to clarify that form PA-22, Resource Assessment, is completed at every initial Long Term Care (LTC) Medicaid inquiry in which the LTC individual has a community spouse. MS 2130 is also revised to remove the cross-reference to OM Upd. No. 07-02, MS 99751, 1/1/07, Home Equity, as the policy which exempts home equity greater than \$500,000 only if there is a community spouse, minor/dependent or disabled child(ren) living in the home is incorporated into this manual section.

Volume X

OM Upd. No. 07-02, [MS 99751](#), 1/1/07 is revised to delete the cross-reference to Vol. IVA, MS 2130, as the procedures are incorporated into the manual.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 290  
April 1, 2008

To: All Field Staff

Subject: Assessment

The following changes are made to the assessment process:

- PRO Team and/or FRYSC involvement prior to discontinuance for failure to complete an assessment is no longer required.
- A home visit prior to discontinuance for failure to complete an assessment is no longer required.
- The timeframe for completing an assessment is changed to allow no longer than 15 days from a K-TAP approval.

Volume IIIA

The Table of Contents is revised to delete:

- MS 4010, Local Organization;
- Subchapter Coordinator;
- MS 4020, Coordinator Responsibilities;
- MS 4030, Cabinet for Workforce Development;
- MS 4040, Department for Employment Services (DES);
- MS 4050, Workforce Investment Act (WIA);
- MS 4060, Local Workforce Investment Areas;
- MS 4080, Service Regions;
- MS 4110, Food Stamp Work Registration;
- Subchapter Fair Hearing;
- MS 4140, Fair Hearing Requests;
- MS 4310, Health Care Facilities Components;
- MS 4330, Other Self-Sufficiency Programs; and
- MS 4710, DES Role in Conciliation.

MS 4010, Local Organization, is obsolete as the information is not necessary.

MS 4020, Coordinator Responsibilities, is obsolete as the position of coordinator no longer exists.

MS 4030, Cabinet for Workforce Development, is obsolete as the Cabinet no longer exists due to reorganization.

MS 4040, Department for Employment Services (DES), is obsolete as the DES no longer exists due to reorganization and the Cabinet no longer contracts with the Office of Employment and Training (OET).

MS 4050, Workforce Investment Act (WIA), and MS 4060, Local Workforce Investment Areas are obsolete as the information is not needed.

MS 4080, Service Regions, is obsolete as the information is no longer valid and the current information can be accessed online at <http://chfs.ky.gov/dCBS/ServiceRegions.htm>.

MS 4110, Food Stamp Work Registration, is obsolete as the information is found in Volume IIA, MS 1555, FS Work Registration for K-TAP Applicants.

MS 4140, Fair Hearing Requests, is obsolete as it duplicates the information found in Volume I, Administrative Hearings and Appeals, MS 0550-0649.

MS 4310, Health Care Facilities Components, is obsolete as the component is no longer being utilized.

MS 4330, Other Self-Sufficiency Programs, is obsolete as the programs are not actual component activities.

[MS 4500](#), Introduction to Assessment, is revised for clarity. This section is revised to remove the cross-reference to OM Update No. 07-20, PAFS-97 Process an On-Line Function of KAMES, MS 99769, 10/1/07, as the reference to form PAFS-97, Inquiry Form, is not pertinent when discussing the completion of a Kentucky Works Program (KWP) assessment. In addition, the link to the policy clarification is removed as it is no longer valid.

[MS 4505](#), Assessment Procedures, is revised for clarity. This section is revised to reduce the timeframe of completing the assessment. This section is also revised to remove the requirement for PRO Team and/or FRYSC involvement before conciliation and discontinuance for the failure of a work eligible individual to complete a KWP assessment.

[MS 4505](#) is further revised to remove the cross-reference to OM Update No. 03-16, MA Disqualification, MS 99621, 4/1/03 and its Errata, as both updates are incorporated in the manual section.

[MS 4500](#) and [MS 4505](#) are revised to remove the cross-reference to OM Update No. 06-22, Step Assessment Screens, MS 99741, 10/1/06, as the changes to the Step Assessment Screens are not appropriate to these manual sections.

MS 4710, DES Role in Conciliation, is obsolete as DES is no longer involved in KWP.

## Volume X

The cross-reference to Volume IIIA, Manual Sections [4500](#) and [4505](#) are removed from OM Update No. 06-22, Step Assessment Screens, MS 99741, 10/1/06 and OM Update No. 07-20, PAFS-97 Process An On-Line Function of KAMES, MS 99769, 10/1/07.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 289  
April 1, 2008

To: All Field Staff

Subject: Medicaid Works and Substantial Gainful Activity (SGA)

Volume IVA

The [Table of Contents](#) is revised to add a new sub-chapter for Medicaid Works. The new manual sections added are: [MS 3900](#), Overview, [MS 3910](#), Application, [MS 3912](#), Substantial Gainful Activity (SGA), [MS 3920](#), Financial Eligibility, [MS 3930](#), Premium Payments, [MS 3940](#), System Codes for Medicaid Works, [MS 3950](#), Disqualifications, and [MS 3951](#), Recertifications/Interim Changes. It is further revised to remove MS 4420, Requirements, as it is incorporated into [MS 4400](#).

[MS 1030](#), Classification of Eligible Groups, is revised to incorporate the categories for Medicaid Works recipients. It is further revised to delete the cross-reference to OM Upd. No. 07-22, Medicaid Working Disabled Program, MS 99771, 10/1/07 and its addendum as it is incorporated.

[MS 1460](#), Effective Date for Ongoing Medicaid, is revised to incorporate the effective application date for Medicaid Works recipients. It is also revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is incorporated. It is further revised to inform workers that for Medicaid Works recipients coverage begins effective the date of application because some are subject to premium payments.

[MS 1720](#), Disabled, is revised to change the title of Field Determination of Disability to When a Field Determination Can Be Made. It is also revised to instruct field staff on when to refer an individual to the Social Security Administration and when a Medical Review Team (MRT) determination is necessary. It is further revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is incorporated.

[MS 1760](#), Allocations, Allowances and Standards, is revised to include the Medicaid Works allocations for a single recipient and a recipient applying with spouse. It is further revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is incorporated.

[MS 1770](#), Applicant Living with Spouse, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference.

[MS 1860](#), Resource Limits, is revised to include the resource limits for Medicaid Works individuals. It is further revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is incorporated.



[MS 2470](#), Excluded Income, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference.

[MS 2480](#), Deductions, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference.

[MS 2560](#), Technically Eligible Applicant, is revised to delete the cross-reference to OM Upd. No. 07-22 as it is an inappropriate cross-reference.

[MS 2570](#), Technically Eligible Applicant and Spouse, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference.

[MS 2580](#), Technically Eligible Applicant With Technically Ineligible Spouse, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference. It is further revised to correct the manual section referenced to determine income eligibility.

[MS 3900](#), Medicaid Works Overview, is created to give an overview of the new Medicaid Works program.

[MS 3910](#), Medicaid Works Application, is created to explain the application process for the Medicaid Works program. It also explains that a spend down is an option for Medicaid Works applicants and eligibility may be explored up to 3 retro calendar months, but a spend down cannot be processed for the same month in which a member is approved for Medicaid Works.

[MS 3912](#), Medicaid Works Substantial Gainful Activity (SGA), is created to instruct workers on how to determine if a Medicaid Works applicant meets the requirements for a disability determination.

[MS 3920](#), Medicaid Works Financial Eligibility, is created to explain the criteria Medicaid Works recipients have to meet in order to be financially eligible for the program. It also explains that applicants who receive Medicare and whose income is under the 100% FPL scale are also eligible for QMB. Medicaid Works applicants who fall into the 150% FPL scale are also eligible for SLMB.

[MS 3930](#), Medicaid Works Premium Payments, is created to explain that Medicaid Works cases are conditionally approved and will pend for payment of premiums. It also gives field staff instructions on what should be done once a Medicaid Works case has been disposed and it is only pending for premium payment. It further explains that the recipient status codes are system-applied and a chart is provided to show the monthly premium amounts recipients will be responsible for once approved. Additionally, it explains that the Premium Payment Center (PPC) is responsible for billing and that field staff are to refer recipients with premium overpayments to the PPC.

[MS 3940](#), Denial/Discontinuance Codes for Medicaid Works, is created to explain what the system codes for Medicaid Works are. A list of denial and discontinuance codes for Medicaid Works cases is provided in this manual section.

[MS 3950](#), Medicaid Works Disqualifications, is created to explain what the process is once a Medicaid Works recipient has missed a premium payment. It also gives field staff the steps that have to be followed in order to have an erroneous member

disqualification removed. It further explains how to process reapplications for cases that have a premium payment disqualification but are no longer subject to premium payments.

[MS 3951](#), Medicaid Works Recertification/Interim Changes/Untimely Changes, is created to explain how recertifications, interim changes and untimely changes should be processed.

[MS 4400](#), QMB Overview, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference. It is further revised to incorporate the information from MS 4420, which states that the QMB individual must meet all technical eligibility requirements for Aged, Blind or Disabled MA.

MS 4420, Requirements, is obsolete as it is incorporated into [MS 4400](#).

[MS 4550](#), Scope of Program, is revised to delete the cross-reference to OM Upd. No. 07-22 and its addendum as it is an inappropriate cross-reference.

#### Volume X

The [Table of Contents](#) is revised to delete OM Upd. No. 07-22, MS 99771, 10/1/07, and its addendum as they are incorporated.

OM Upd. No. 07-22, MS 99771, Medicaid Working Disabled Program, 10/1/07, and its addendum are deleted in their entirety as they are incorporated into the following manual sections: MS [1030](#), [1460](#), [1720](#), [1760](#), [1770](#), [1860](#), [2470](#), [2480](#), [2560](#), [2570](#), [2580](#), [4400](#), and [4550](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 288  
April 1, 2008

To: All Field Staff

Subject: 2008 Federal Poverty Level Guidelines (FPL)

Volume III

[MS 3850](#), Win Eligibility, is revised to change the WIN income limits to reflect the increase in the Federal Poverty Level (FPL) and to add the requirement to change the WIN indicator on STEP before approval of a K-TAP case during the WIN reimbursement period.

Volume IV

[MS 3450](#), Income Scales, is revised to incorporate the new poverty level income scales effective 4/1/08 and to remove the cross-reference to OM Upd. No. 07-07, Poverty Level Guidelines, MS 99756, 4/1/07. It is also revised to correct grammatical errors and to remove the cross-reference as it is no longer applicable.

Volume IVA

[MS 4330](#), Financial Eligibility, is revised to change the QDWI income scales to reflect the increase in the FPL, and to remove the cross-reference to OM Upd. No. 07-07, as it is incorporated.

[MS 4470](#), QMB Income Scale, is revised to change the QMB income scales to reflect the increase in the FPL and to remove the cross-reference to OM Upd. No. 07-07 as it is incorporated.

[MS 4575](#), SLMB Income, is revised to change the SLMB income scales to reflect the increase in the FPL, and to remove the cross-reference to OM Upd. No. 07-07 as it is incorporated.

[MS 4600](#), Medicare Qualified Individuals Group 1 (QI1), is revised to change the QI1 income scales to reflect the increase in the FPL. It is also revised to change the end of the certification period and to change the month in which the QI1's must be recertified. It is further revised to remove the cross-reference to OM Upd. No. 07-07 as it is incorporated.

Volume X

The [Table of Contents](#) is revised to delete OM Upd. No. 07-07, MS 99756, 4/1/07, OM Upd. No. 07-22, MS 99771, 10/1/07 as it is incorporated.

OM Upd. No. 07-07, MS 99756, Poverty Guidelines, 4/1/07, is deleted in its entirety as it is incorporated into Volume IV, [MS 3450](#), and Volume IVA, [MS 4330](#), [MS 4470](#), [MS 4575](#), and [MS 4600](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 287  
March 1, 2008

To: All Field Staff

Subject: Revisions to Volume I, MS 0707 and Volume IVA, MS 2330

Volume I

[MS 0707](#), Verifying Other New Amounts, is revised to change the Department of Veterans Affairs address.

Volume IVA

The [Table of Contents](#) is revised to change the title of [MS 2330](#), Promissory Notes, Mortgages, Land Contracts, to Promissory Notes, Loans, Mortgages and Land Contracts.

[MS 2330](#) is revised to change the title and to further clarify how to consider promissory notes, loans, mortgages, and land contracts.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual 286  
Transmittal Letter No.  
February 1, 2008

To: All Field Staff

Subject: Consumer Directed Option (CDO)

Volume IVA

The [Table of Contents](#) is revised to change the title of [MS 2800](#) to Consumer Directed Option (CDO), [MS 2810](#) to SCL Waiver Program, and [MS 2900](#) to HCBS Waiver Program.

[MS 2800](#), is revised to incorporate policy for CDO. Cross-reference to OM Upd. No. 07-27, MS 99776, 12/15/07, is obsolete as it is incorporated into the manual.

[MS 2810](#) is revised to incorporate the scope of the SCL program and to incorporate a link to [MS 2800](#) and to change the title. Cross-reference to OM Upd. No. 07-27, MS 99776, 12/15/07, is obsolete as it is incorporated into the manual.

[MS 2900](#) is revised to incorporate a link to [MS 2800](#) and to change the title. Cross-reference to OM Upd. No. 07-27, MS 99776, 12/15/07, is obsolete as it is incorporated into the manual.

[MS 3000](#) is revised to incorporate a link to [MS 2800](#) and to correct "MAP-24B" to "MAP-24C". Cross-reference to OM Upd. No. 07-27, MS 99776, 12/15/07, is obsolete as it is incorporated into the manual.

Volume X

MS 99776 is deleted as it is incorporated into [MS 2800](#).

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 285  
February 1, 2008

To: All Field Staff

Subject: Revisions to Volume III, MS 2520

Volume III

[MS 2520](#), Two-Month Earned Income Exclusion, is revised for clarity and to change the month the earned income exclusion begins as the first month K-TAP benefits would be affected had the earnings from employment not been excluded. The purpose of the disregard is to encourage recipients to either go to work or make improvements in their employment situation. Improvements include a raise in pay, different job, moving from part-time to full-time, etc.

Patricia R. Wilson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 284  
January 1, 2008

To: All Field Staff

Subject: Good Cause Codes for Untimely Case Processing

Volume I

The [Table of Contents](#) is revised to add [MS 0151](#), Good Codes for Untimely Case Processing.

[MS 0151](#) is created to establish procedures on coding applications, re-applications and program transfers pending for verification or reviews past the 30 day timeframe.

Volume III

[MS 2058](#), Standard of Promptness for Applications, is revised to add a link to [Vol. I, MS 0151](#).

[MS 5100](#), Authorizing Kinship Care Payments, is revised to add a link to [Vol. I, MS 0151](#).

Volume IV

The [Table of Contents](#) is revised to delete MS 3585, Medicaid Qualifying Trust On or Before 8/10/93; to change the title of [MS 3620](#), Trusts Established After 8/10/93, to "Trusts"; and to add [MS 3621](#), Consideration of Income From a Medicaid Qualifying Trust Established on or before 8/10/93. These changes are because the Department for Medicaid Services is now reviewing all trusts.

[MS 1320](#), Standard of Promptness, is revised to add a link to [Vol. I, MS 0151](#).

[MS 1330](#), General Requirements, is revised to add a link to [Vol. I, MS 0151](#).

[MS 2020](#), Citizenship, is revised to add a link to [Vol. I, MS 0151](#).

[MS 3500](#), Introduction to Unearned Income, is revised to add a link to [Vol. I, MS 0151](#).

[MS 3520](#), Annuities, is revised to add a link to [Vol. I, MS 0151](#).

MS 3585, Medicaid Qualifying Trust On or Before 8/10/93, is deleted in its entirety as the Department for Medicaid Services (DMS) reviews and advises how trusts are to be considered in the case.

[MS 3620](#), Trusts, is revised to change the title and to instruct field staff on how to forward trust documents to DMS for review. It is further revised to remove the reference to Model Waiver I and to update the agency name.

[MS 3621](#), Consideration of Income from a Medicaid Qualifying Trust Established On or Before 8/10/93, is created to advise when an undue hardship can be requested based on the amount of income being received from Qualifying Income Trusts.

[MS 3700](#), Introduction to Earned Income, is revised to add a link to [Vol. I, MS 0151](#).

[MS 4312](#), Resources – General Information, is revised to add a link to [Vol. I, MS 0151](#).

[MS 4370](#), Introduction to Unearned Income, is revised to add a link to [Vol. I, MS 0151](#).

[MS 4410](#), Introduction to Earned Income, is revised to add a link to [Vol. I, MS 0151](#).

#### Volume IVA

The [Table of Contents](#) is revised to add [MS 2011](#), Consideration of Income from a Medicaid Qualifying Trust Established On or Before 8/10/93, and to delete MS 2300, Medicaid Qualifying Trust Established On or Before 8/10/93, and MS 2360, Trusts Established After 8/10/93.

[MS 1470](#), Standards of Promptness, is revised to add a link to [Vol. I, MS 0151](#).

[MS 1570](#), Citizenship, is revised to add a link to [Vol. I, MS 0151](#).

[MS 1870](#), Verification and Documentation, is revised to add a link to [Vol. I, MS 0151](#).

[MS 1890](#), Annuities, is revised to add a link to [Vol. I, MS 0151](#).

[MS 1910](#), Burial Reserves, is revised to add a link to [Vol. I, MS 0151](#).

[MS 2010](#), Trusts, is revised to add a link to [Vol. I, MS 0151](#).

[MS 2011](#), Consideration of Income from a Medicaid Qualifying Trust Established On or Before 8/10/93, is created to advise when an undue hardship can be requested based on the amount of income being received from Medicaid Qualifying Income Trusts.

[MS 2210](#), Unearned Income, is revised to add a link to [Vol. I, MS 0151](#).

MS 2300 is deleted in its entirety as the Department for Medicaid Services (DMS) reviews and advises how trusts are to be considered in the case.

MS 2360 is deleted in its entirety as the Department for Medicaid Services (DMS) reviews and advises how trusts are to be considered in the case.

[MS 2650](#), Introduction to Spend Down, is revised to add a link to [Vol. I, MS 0151](#).

[MS 4980](#), Citizenship, is revised to add a link to [Vol. I, MS 1570](#)

Mark Washington, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 283  
January 1, 2008

To: All Field Staff

Subject: Income Eligibility for Acquired Brain Injury (ABI) Determinations

Volume IVA

[MS 3005](#), ABI Medicaid Eligibility Determination, is revised to expand the title, incorporate procedures for establishing Qualifying Income Trusts (QIT's) for ABI eligibility determinations, to incorporate CDO procedures for ABI recipients, and to add a link to [MS 3505](#), Qualifying Income Trust (QIT). The cross-reference to OM Upd. No. 07-27, MS 99776, Clarification of CDO Policy, 12/15/07, is removed as CDO procedures are incorporated into the manual.

Volume X

[OM Upd. No. 07-27](#) is revised to remove MS 3005 from the cross-references. The remainder of OM Upd. No. 07-27 is still in effect and will be incorporated at a later date.

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 282  
January 1, 2008

To: All Field Staff

Subject: Updated Standards

Volume I

[MS 0703](#), Increase in Benefits, is revised to update the SSI benefit levels for 2008 and the Black Lung Benefits for 2007 and to delete the cross-reference to OM Upd. No. 07-03, its Addendum and its Errata as material has been incorporated.

Volume IVA

[MS 1760](#), Allocations, Allowances, and Standards, is revised to update the Supports for Community Living Waiver Standard, Community Spouse Resource Allowance (minimum and maximum); Community Spouse Income Allowance (minimum and maximum); Personal Needs Allowance for Non-Institutionalized Hospice, Home and Community Based Services, Acquired Brain Injury and Supports for Community Living; Special Income Standard, and Blind or Disabled Child Allocations effective 1/1/08. The cross reference to OM Upd. No. 07-22 is now deleted as material has been incorporated.

[MS 4670](#), SSI Financial Standards, is revised to show SSI income standards for 2008.

[MS 4910](#), SSP Standards, is revised to show State Supplementation standards for 2008.

Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

OM Upd. No. 07-03, MS 99752, 1/1/07;  
OM Upd. No. 07-03, MS 99752, 1/1/07, Addendum; and  
OM Upd. No. 07-03, MS 99752, 1/1/07, Errata.

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 281  
August 1, 2007

To: All Field Staff

Subject: Various Medicaid Revisions

Volume IVA

The [Table of Contents](#) is revised to delete MS 3740, Estate Recovery Referral Procedures, as the KCL Claims System is no longer used by field staff to make estate recovery referrals to the Department for Medicaid Services (DMS). Estate recovery referral processing is now incorporated into KAMES and the PA-62 system. All referral information is passed electronically and forms are system generated. MS 3740 is now obsolete. The Table of Contents is also revised to rename MS 3820 "Long Distance Travel". The Table of Contents is further revised to delete MS 3850 through MS 4110.

MS 1055, Co-Payments, is obsolete as co-pays are now determined by the recipient's Kentucky Health Choices plan.

[MS 1060](#), Medicare/Medicaid Recipients, is revised to delete an erroneous cross-reference to OM Upd. No. 05-21, Medicare Part D, MS 99705, 6/1/05. OM Upd. No. 05-21 is obsolete.

[MS 1480](#), Recertification Process, is revised to delete the cross-reference to OM Upd. No. 06-07, Scheduling Recertification Appointments for PA-62 Cases, MS 99726, 2/1/06, as procedures for scheduling these appointments on KAMES are incorporated into the manual. OM Upd. No. 06-07 is obsolete.

[MS 1500](#), Recertification Procedures, is revised to delete cross-references to OM Upd. No. 06-05, Z Case Recertification by Mail, MS 99724, 1/1/06 and its Errata, and OM Upd. No. 06-07, MS 99726, 2/1/06, as automation of "Z" case recertifications by the system generated KIP-2Q and KIP-2QA, and PA-62 case appointment scheduling on KAMES with automated PA-2 procedures are incorporated into the manual. MS 1500 is also revised for re-lettering, and to incorporate KAMES procedures from Vol. VI, MS 1205, and to remove an incorrect link. OM Upd. No. 06-05 and its Errata and OM Upd. No. 06-07 are now obsolete.

[MS 1570](#), Citizenship, is revised to delete cross-references to OM Upd. No. 06-18, Citizenship Verification, MS 99737, 7/1/06, and Addendum, as citizenship verification requirements and procedures are incorporated into the manual. DMS has clarified that Foster children and subsidized adoption Title IV-E children are exempt from citizenship verification requirements.

[MS 1720](#), Disabled, is revised to clarify that End Stage Renal Disease meets the criteria for a field determination of disability. An MRT determination is not required.

[MS 1760](#), Allocations, Allowances, and Standards, is revised to delete the cross-reference to OM Upd. No. 07-03, Medicaid and State Supplementation Standards for 2007, MS 99752, 1/1/07, and Addendum and Errata as the 2007 SCL Waiver, SSI and Special Income Standards, and the Community Spouse Income and Resource allowances are incorporated into the manual. Also incorporated are the Personal Needs Allowances for waiver cases and the Blind or Disabled Child Allocations. MS 1760 is also revised to delete the cross-reference to OM Upd. No. 06-17, Standards Change, MS 99736, 7/1/06, as the Family Member Income Allowance, the Community Spouse Minimum income Allowance and the Community Spouse Minimum Shelter Allowance are incorporated into the manual. OM Upd. No. 06-17 is now obsolete.

[MS 1900](#), Life Expectancy Table, is revised to incorporate new figures issued by the Social Security Administration.

[MS 1970](#), Liquid Assets, is revised to delete the cross-reference to OM Upd. No. 05-18, Resource Check Verification on KAMES for LTC Cases, MS 99702, 5/1/05, as procedures for the automated resource check are incorporated into the manual. Vendor payment cases subject to transfer of resource penalties will pend for an answer and verification source to the question, "Has Bank and Courthouse Asset Check Been Done?". Use verification codes "OR" or "WS". Recipients in Hospice, MH/Psych. Facilities, PRTF and EPSDT are excluded. OM Upd. No. 05-18 is now obsolete.

[MS 1980](#), Non Home Real Property, is revised to delete the cross-reference to OM Upd. No. 05-18, MS 99702, 5/1/05, as procedures for the LTC automated resource check are incorporated into the manual. MS 1980 is also revised for re-numbering.

[MS 2050](#), Transfer of Resources, is revised to delete the cross-reference to OM Upd. No. 05-18, MS 99702, 5/1/05, as procedures for the LTC automated resource check are incorporated into the manual. MS 2050 is also revised to delete the cross-reference to the policy clarification, LTC Resources and Guardianship, 8/1/02, which clarified that Guardianship recipients are subject to regular LTC resource considerations, including transfer of resource policy. This clarification is incorporated into the manual. MS 2050 is also revised for re-lettering.

[MS 2055](#), Calculating Life Estate Transfers, is revised to incorporate step-by-step procedures and an example to illustrate calculations for transfers of resources that establish life estate interests for LTC recipients.

[MS 2070](#), Exceptions to Transfer of Resources, is revised to incorporate a Department for Medicaid Services (DMS) clearance regarding evidence requirements for individuals attempting to prove that a resource was transferred for services rendered for the individual's care. DMS clarified that the individual must provide a signed, dated, notarized statement verifying that the payment arrangements were in effect when the services were initiated. MS 2070 is also revised to remove obsoleted policy which previously allowed transfers of resources for education and health care expenses for family members, and for re-numbering.

[MS 2105](#), Special Procedures for Transfer of Resources by a Power of Attorney/Legal Guardian, is revised to delete the cross-reference to the policy clarification, Cabinet

Responsibilities, 11/8/02, which clarified that a hardship determination may be requested when a recipient's resources have been inappropriately transferred by a POA/Legal Guardian, the resources are unavailable to pay the cost of care and the recipient has received a discharge notice from the LTC provider. These procedures are incorporated into the manual.

[MS 2160](#), Additional Considerations, is revised to delete the cross-reference to policy clarification, Cabinet Responsibilities, 11/8/02, which clarified procedures for hardship determination requests when resources have been inappropriately transferred by a POA/Legal Guardian. These procedures are incorporated into the manual. MS 2160 is also revised to incorporate a DMS clearance and policy clarification concerning the assignment of support rights when an institutionalized spouse's resources exceed the resource allowance and the community spouse refuses to make the resources available to pay the cost of care. The special consideration applies only to resources which belonged to the community spouse prior to the marriage.

[MS 2280](#), Life Estate Interest, is revised to correct a capitalization error.

[MS 2330](#), Promissory Notes, Mortgages, Land Contracts, is revised to clarify that the terms of promissory notes and land contracts cannot exceed the applicant/recipient's life expectancy.

[MS 2465](#), Non-Recurring Lump Sum, is revised to delete an error in the procedures for lump sums from accumulated back payments of SSI and/or RSDI. The resource exclusion period is six months from the date of receipt.

[MS 2470](#), Excluded Income, is revised to clarify that Veteran's Administration pension exclusions apply only to Nursing Facility and Waiver cases, and that Tobacco Settlement monies are excluded income for the month of receipt and the following month.

[MS 2700](#), Spend Down Medical Expense Verification, is revised to delete inappropriate cross-references to OM Upd. No. 05-28, MS 99712, 9/1/05 and its Errata.

[MS 2710](#), Spend Down Medical Expense Restrictions, is revised to incorporate the DMS clearance that deductions may be given for prescription drugs only if the applicant verifies that Medicaid denied coverage of the drug(s) and that a prior authorization request was also denied. Procedures are also reorganized in the interest of clarity.

[MS 2740](#), Spend Down Case Decision, is revised to delete the cross-reference to OM Upd. No. 05-31, New Recipient Status Codes for Special Circumstance, MS 99715, 10/1/05. Recipient status codes designed to prevent "Z" case members from losing buy-in benefits when Spend Down coverage is issued by special circumstance have been programmed in to KAMES. These procedures are incorporated into the manual. MS 2740 is also revised to incorporate procedures for the supervisor/principal sign-off requirement for Spend Down cases issued by special circumstance. MS 2740 is further revised to delete outdated references to the Medicaid Identification (MAID) card. These references are replaced by KYHealth card procedures. Additionally, MS 2740 is revised for re-lettering.

[MS 2820](#), Technical Eligibility Requirements, and [MS 2890](#), SCL Case Action, are revised to incorporate references to the new form MAP-24C, Support for Community Living Admission/Discharge.

[MS 2900](#), Scope of Program, is revised to delete cross-references to OM Upd. No. 06-02, MS 99721, 1/1/06, MS 99721, 1/1/06, and its Errata which issued procedures for the case management option for HCBS waiver recipients enrolled in Adult Day Care. The Adult Day provider may now be the recipient's sole provider, or may be the primary provider with the HCBS provider as secondary. The option of the HCBS provider as Primary and the Adult Day provider secondary is unchanged. These procedures are incorporated into the manual. OM Upd. No. 06-02 and its Errata are now obsolete.

[MS 2910](#), Technical Eligibility Requirements, is revised for clarity of wording.

[MS 3480](#), Deductions and Allowances, is revised to delete cross-references to OM Upd. No. 05-28, MS 99712, 9/1/05, and its Errata, as co-pay procedures are already incorporated into this MS. MS 3480 is also revised to incorporate the DMS clearance that a deduction may only be allowed for prescription drugs if the applicant/recipient verifies that both Medicaid coverage and a prior-authorization request have been denied. MS 3480 is further revised to incorporate KAMES procedures for entering medical expenses for Volume VI, MS 3530, which is now obsolete.

[MS 3610](#), Effective Date of Vendor Payment, is revised to incorporate the DMS clearance that LTC patient liability is not increased retroactively. Patient liability may only be decreased retroactively if the liability error was due to agency error.

[MS 3720](#), Introduction to Estate Recovery, is revised to incorporate the DMS clearance that the estates of individuals under age 55 are subject to estate recovery if they have been receiving NF or ICF/MR/DD services for six consecutive months or more at the time of death.

[MS 3730](#), DCBS Responsibilities, is revised to delete the cross-reference to OM Upd. No. 05-34, Medicaid Estate Recovery, MS 99718, 10/1/05, which issued procedures for the incorporation of estate recovery referrals into KAMES programming due to the termination of the KAMES Claim System (KCL). Estate recovery information is now passed directly to DMS from KAMES and the Vital Statistics Death Match. Additionally, Form MAP-708, Form PA-1A, Supplement E, and the new Form PA-707, Estate Recovery Notice, are system generated for LTC cases on both KAMES and the PA-62 system. These estate recovery procedures are incorporated into the manual. MS 3730 is further revised to update the listing of LTC categories subject to estate recovery, and to update the mailing address for written inquiries on estate recovery procedures.

[MS 3800](#), Non Emergency Medical Transportation, is revised to reflect that Regional Brokerage System (except for stretcher service – contact ambulance service directly) include provider enrollment responsibility.

[MS 3810](#), Requests for Transportation, is revised to delete obsolete procedures for field staff and to add the Regional Provider listing by service areas.

[MS 3820](#), Long Distance Travel, is revised to reflect that requests for long distance travel, including lodging and meals, are made directly to the DMS.



MS 3850 through MS 4110 are deleted as those procedures are obsolete.

[MS 4160](#), Concurrent SSI/SSP, is revised to incorporate a DMS clearance that individuals who lost SSI due an RSDI recalculation or a new RSDI entitlement are technically eligible for Pass Through. Financial eligibility must be determined through the PA-9 process. MS 4160 is also revised to delete the cross-reference to the policy clarification titled "Pass Through", 8/9/02, which stipulated that only RSDI income is to be entered on the Pass Through screen. Other types of income are to be entered in the appropriate KAMES income fields. The policy clarification is obsolete as this material is incorporated into MS 4160.

[MS 4190](#), Disabled Early Widows and Widowers or Disabled Surviving Divorced Spouses with No Medicare Part A, is revised to add the age limits (50-60) for disabled widows, widowers and surviving divorced spouses.

[MS 4310](#), General Information, is revised to delete the cross-reference to OM Upd. No. 05-31, MS 99715, 10/1/05, which issued procedures for Spend Down approvals for QDWI recipients. As QDWI recipients are not dually eligible, workers are to give an SMI premium deduction for each month of Spend Down coverage, and are to advise recipients that those premiums may be recouped by the Centers for Medicare and Medicaid Services (CMS). These procedures are incorporated into MS 4310.

[MS 4330](#), Financial Eligibility, is revised to update the QDWI income scales with income limits for 2007 and to delete the cross-reference to OM Upd. No. 07-07, Poverty Level Guidelines, MS 99756, 4/1/07.

[MS 4350](#), Interims/Recertifications, is revised to delete the cross-reference to OM Upd. No 06-05, MS 99724, 1/1/06, and its Errata, as the automated mail-in recertification procedures are incorporated into the manual. MS 4350 is also revised to add a link to MS 4530. OM Upd. 06-05 and its Errata are now obsolete.

[MS 4470](#), QMB Income Scale, is revised to update the QMB income scales with the income limits for 2007, and to delete the cross-reference to OM Upd. No. 07-07.

[MS 4500](#), Approvals, is revised to delete the cross-reference to OM Upd. No. 05-31, MS 99715, 10/1/05, as procedures for special circumstance Spend Down approvals for QMB recipients are incorporated into the manual. Workers are to use recipient status code "HH" to prevent discontinuance of the QMB benefit when issuing Spend Down coverage. MS 4500 is also revised to add a link to MS 2740.

[MS 4530](#), Interims/Recertifications, is revised to delete the cross-reference to OM Upd. No. 06-05, MS 99724, 1/1/06, and its Errata, as procedures for QMB mail-in recertifications utilizing the automated KIP-2Q and KIP-2QA are incorporated into the manual. MS 4530 is also revised for re-numbering. OM Upd. No. 06-05 and its Errata are now obsolete.

[MS 4575](#), SLMB Income, is revised to update SLMB income scales with the income limits for 2007, and to delete the cross-reference to OM Upd. No. 07-07.

[MS 4590](#), Interims/Recertifications, is revised to delete the cross-reference to OM Upd. No. 06-05, MS 99724, 1/1/06, and its Errata, as procedures for SLMB mail-in recertifications utilizing the automated KIP-2Q and KIP-2QA are incorporated into the manual. MS 4590 is also revised to add a link to MS 4530.

[MS 4595](#), Case Processing, is revised to delete cross-references to OM Upd. No. 06-05, MS 99724, 1/1/06, and its Errata, as procedures for SLMB mail-in recertifications utilizing the automated KIP-2Q and KIP-2QA are incorporated into the manual. MS 4595 is also revised to delete the cross-reference to OM Upd. No. 05-31, MS 99715, 10/1/05, as procedures for special circumstance Spend Down approvals for SLMB recipients are incorporated into the manual. Workers are to use recipient status code "S2" to prevent discontinuance of the SLMB benefit when issuing Spend Down coverage. MS 4595 is further revised to add a link to MS 4530.

[MS 4600](#), Medicare Qualified Individuals Group 1 (QI1), is revised to delete cross-references to OM Upd. No. 06-05, MS 99724, 1/1/06, and its Errata as procedures for QI1 mail-in recertification utilizing the automated KIP-2Q and KIP-2QA are incorporated into the manual. MS 4600 is also revised to delete the cross-reference to OM Upd. No. 05-31, MS 99715, 10/1/05, as procedures for special circumstance Spend Down approvals for QI1 recipients are incorporated into the manual. Workers are to allow a medical deduction for the SMI premium for each Spend Down month, and are to advise recipients that the premiums may be recouped by CMS. MS 4600 is further revised to update QI1 income scales with the income limits for 2007 and to delete the cross-reference to OM Upd. No. 07-07. Additionally, MS 4600 is revised to add a link to MS 4530.

[MS 4662](#), MA Eligibility for Deceased Applicants, is revised to correct a spelling error.

[MS 4670](#), SSI Financial Standards, is revised to delete the cross-reference to OM Upd. No. 07-03, MS 99752, 1/1/07, its Addendum and its Errata, as the SSI income standards for 2007 are incorporated into the manual.

[MS 4755](#), SSI Discontinuance – Not Disabled, is revised to incorporate DMS clearance that these individuals may continue to receive Medicaid pending a hearing only if they continue to receive the SSI payment.

## Volume VI

The [Table of Contents](#) is revised to delete the following as they are obsoleted by the incorporation of the KAMES procedures into Vol. IVA: MS 1205, MS 1206, MS 3530, MS 3710 and MS 4155.

MS 1205, MS 1206, MS 3530, MS 3710, and MS 4155 are obsoleted as the KAMES procedures are incorporated into the manual.

[MS 5450](#), Special Circumstance Overview, and [MS 5460](#), Special Circumstance Procedures, are revised to delete cross-references to OM Upd. No. 05-13, MS 99697, 3/7/05, as sign-off procedures for special circumstance actions are incorporated into Vol. IVA, [MS 2740](#), [MS 4500](#) and [MS 4595](#).

## Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete:

- OM Upd. No. 05-21, MS 99705, 6/1/05;
- OM Upd. No. 06-02, MS 99721, 1/1/06 and its Errata;
- OM Upd. No. 06-05, MS 99724, 1/1/06 and its Errata;



- OM Upd. No. 06-07, MS 99726, 2/1/06; and
- OM Upd. No. 06-17, MS 99736, 7/1/06.

OM Upd. No. 04-26, [MS 99680](#), 11/1/04, is revised to remove the cross-references to Vol. IVA, MS 1480 and MS 4940, as the procedures are incorporated into the manual. OM Upd. No. 04-26 is also revised to delete the cross-reference to Vol. VI, MS 4155 as the KAMES procedures are incorporated into Vol. IVA. OM Upd. No. 04-26 is further revised to add a cross-reference to OMTL-281, 8/1/07.

OM Upd. No. 05-13, [MS 99697](#), 3/7/05, is revised to remove the cross-references to Vol. IVA, MS 2740, MS 4500 and MS 4595, as the procedures are now incorporated into the manual. OM Upd. No. 05-13 is also revised to delete the cross-references to Vol. VI, MS 5450 and MS 5460 as the KAMES procedures are incorporated into Vol. IVA. OM Upd. No. 05-13 is also revised to add a cross-reference to OMTL-281, 8/1/07.

OM Upd. No. 05-18, [MS 99702](#), 5/1/05, is revised to remove the cross-references to Vol. IVA, MS 1970, MS 1980 and MS 2050, as the procedures are now incorporated into the manual. OM Upd. No. 05-18 is also revised to add a cross-reference to OMTL-281 8/1/07.

OM Upd. No. 05-28, [MS 99712](#), 9/1/05, and its [Errata](#) are revised to remove the cross-references to Vol. IVA, MS 1055, MS 2700 and MS 3480, as the procedures are now incorporated into the manual. OM Upd. No. 05-28 and its Errata are also revised to delete the cross-reference to Vol. VI, MS 3530, as the KAMES procedures are incorporated into Vol. IVA. OM Upd. No. 05-28 and its Errata are further revised to add a cross-reference to OMTL-281 8/1/07.

OM Upd. No. 05-31, [MS 99715](#), 10/1/05, is revised to remove the cross-references to Vol. IVA, MS 2740, MS 4310, MS 4500, MS 4595 and MS 4600, as the procedures are now incorporated into the manual. OM Upd. No. 05-31 is also revised to delete the cross-reference to Vol. VI, MS 3710, as the KAMES procedures are incorporated into Vol. IVA. OM Upd. No. 05-31 is further revised to add a cross-reference to OMTL-281 8/1/07.

OM Upd. No. 05-34, [MS 99718](#), 10/1/05 is revised to remove the cross-references to Vol. IVA, MS 3730 and MS 3740, as the procedures are now incorporated into the manual. OM Upd. No. 05-34 is further revised to add a cross-reference to OMTL-281 8/1/07.

OM Upd. No. 07-03, [MS 99752](#), 1/1/07, its [Addendum](#) and its [Errata](#) are revised to delete the cross-references to Vol. IVA, MS 1760 and MS 4670 as the material is now incorporated into the manual. The Addendum and Errata are also revised to add cross-references to OM Upd. No. 07-03.

OM Upd. No. 07-07, [MS 99756](#), 4/1/07, is revised to delete cross-references to Vol. IVA as the income standards for 2007 are incorporated into the manual and to add a cross-reference to OMTL-281, 8/1/07.

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 280  
May 1, 2007

To: All Field Staff

Subject: Volume I Revisions

This transmittal contains updated information on:

- Safeguarding IRS sensitive data;
- Replacement check procedures;
- Correction of website links;
- Updating Volume III Table of Contents; and
- Incorporation of some material from Volume VI.

Volume I

The [Table of Contents](#) is revised to remove MS 0007, Other Instructional Material, MS 0122, Penalty for Failure to Safeguard Information, and MS 0316, STEP Check Adjustments. Also, the title of MS 0005 is changed to "Instructional Material"; the title of MS 0120 is changed to "Confidentiality Requirements"; the title of MS 0168 is changed to "Transfer of Case Records on KAMES"; the title of MS 0307 is changed to "Supportive Services Refunds and Adjustments"; the title of MS 0315 is changed to "Request for Duplicate Check"; the title of MS 0318 is changed to "Replacement Checks"; and the title of MS 1915 is changed to "IRS Safeguarding Issues". MS 0166, Transfer of Case Records on the PA-62 System, is added. A typographical error was corrected in the title of MS 1512.

[MS 0005](#) is renamed "Instructional Material" and revised to change the "Program Assistance and Resource Branch" to the "Division of Family Support" and to change the on-line manual website to [http://manuals.chfs.ky.gov/dcbs\\_manuals/DFS](http://manuals.chfs.ky.gov/dcbs_manuals/DFS). In addition, the material formerly found in MS 0007 is included in this section.

MS 0007 is obsoleted and the information is moved to [MS 0005](#).

[MS 0120](#) is renamed "Confidentiality Requirements" and revised to include the information previously found in MS 0122. Also, a link to [MS 1915](#), IRS Safeguarding Issues, is added.

MS 0122 is obsoleted and the information is added to [MS 0120](#).

[MS 0166](#) is created with information formerly found in [MS 0168](#) concerning transferring PA-62 cases.

[MS 0168](#) is renamed "Transfer of Case Records on KAMES" and is revised to remove the obsolete link for MS 0430 and add a link for [MS 0419](#). Also, the link for MS 1587 is removed and replaced with a link for [MS 1512](#). Additionally, the information

concerning PA-62 cases is moved to [MS 0166](#) and information from Vol. VI, Subchapter, Case Transfers, is added.

[MS 0304](#), [0307](#), [0309](#), [0310](#), [0315](#), [0318](#) and [1821](#) are revised with the new contact information for DCBS – Division of Administration & Financial Management (DAFM), Fiscal Services Section (formerly called General Accounting).

[MS 0307](#) is further revised to change the title to “Supportive Services Refunds and Adjustments” and to include the information formerly found in MS 0316.

[MS 0310](#) is further revised to change “PARB” to the “Family Self-Sufficiency Branch”.

[MS 0315](#) is renamed “Request for Duplicate Check” and is further revised to incorporate OM Update 04-14, MS 99668, Replacement Checks, 5/1/04. The term “duplicate” refers to the reissuance of an original check that has not been cashed. The term “replacement” refers to a check issued to replace an original check that has been cashed.

MS 0316 is obsoleted and the information moved to [MS 0307](#).

[MS 0318](#) is further revised to change the title to “Replacement Checks” and to incorporate OM Update 04-14.

[MS 0333](#) is revised to remove the links for Vol. III, MS 3010 and MS 3016 and add a link for [Vol. III, MS 3080](#). Item B is reworded for clarity.

[MS 0410](#) is revised to change the link from “MS 0428” to “[MS 0416](#)”.

[MS 1910](#) is revised to remove the exception for Food Stamp cases subject to simplified reporting and to add a reference to [MS 1915](#) for detailed safeguarding procedures.

[MS 1915](#) is renamed “IRS Safeguarding Issues” and is revised to incorporate additional information from the IRS Safeguard Review Report concerning the safeguarding of federal tax information. In addition, the second paragraph in item D is removed as it no longer applies. It was referring to IRS hits on FS Simplified reporting cases.

### Volume III

The [Table of Contents](#) is revised to add missing manual sections – [MS 2320](#), Full-Time and Part-Time Attendance, and [MS 2425](#), Individual Development Accounts. Also, MS 5040, Kinship Care Criteria, is deleted as the section is obsolete.

### Volume VI

The [Table of Contents](#) is revised to delete the entire subchapter of Case Transfers, MS 1240 – 1259.

MS 1240, 1245, 1247 and 1250 are obsoleted as this information is now incorporated in [Volume I, MS 0168](#).

### Volume X

The [Table of Contents](#) is revised to delete OM Update 04-14, MS 99668, Replacement Checks, 5/1/04.

OM Update 04-14, MS 99668 is obsolete as it is incorporated into [Volume I, MS 0315](#).

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 279  
May 1, 2007

To: All Field Staff

Subject: WIN Eligibility Income Limits

Volume III

[MS 3850](#) is revised to change the WIN income limits to reflect the increase in the federal poverty level. Cross-references to the following OM Updates are removed as they are now obsolete:

- OM Upd. No. 04-15, MS 99669, WIN Income Limits, 5/1/04;
- OM Upd. No. 05-16, MS 99700, WIN Income Limits, 4/1/05; and
- OM Upd. No. 06-12, MS 99731, WIN Eligibility Table, 4/1/06.

Volume X

The [Table of Contents](#) is revised to remove OM Upd. No 04-15, OM Upd No. 05-16, and OM Upd. No. 06-12 as they are now obsolete.

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 278  
March 1, 2007

To: All Field Staff

Subject: Simplified Assistance for the Elderly (SAFE)

Effective March 5, 2007, Kentucky will implement the Simplified Assistance for the Elderly (SAFE) Program. SAFE is a simplified version of the regular Food Stamp Program. Normal food stamp policy does not apply to SAFE. Individuals meeting the eligibility requirements for SAFE will have a computer generated form SF-1, Simplified Assistance for the Elderly (SAFE) Application, mailed to them. All SAFE cases will be processed and maintained in the Division of Family Support, Nutrition Assistance and Accountability Branch.

To be eligible for SAFE, all individuals must:

- Be getting SSI;
- Be a resident of Kentucky;
- Be age 60 or older;
- Not be institutionalized;
- Buy and cook food separately from other individuals living in the same residence; and
- Be either single, widowed, divorced, or separated (for a 1-person household) or married to an SSI spouse who meets the SAFE criteria (for a 2-person household).

Volume II

With the implementation of SAFE, Volume II is revised to add new policy in manual sections 3200 – 3290.

The Numerical Table of Contents is revised to add:

- [MS 3200](#), Simplified Assistance for the Elderly-Overview;
- [MS 3210](#), SAFE Eligibility;
- [MS 3220](#), SAFE Allotments;
- [MS 3230](#), SAFE Application Procedures;
- [MS 3250](#), Verification Requirements;
- [MS 3260](#), Change Reporting Requirements;
- [MS 3275](#), Monthly SDX Match;
- [MS 3280](#), SAFE Recertification Processing;
- [MS 3285](#), Denial and Discontinuance Reasons; and
- [MS 3290](#), SAFE Spot Checks.

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 277  
March 1, 2007

To: All Field Staff

Subject: Relocation Assistance Program (RAP)

Volume I

The [Table of Contents](#) is revised to add MS 1869, Procedures for Relocation Assistance Program (RAP) Payment Claims.

[MS 1869](#) is created to establish policy and procedures for establishing and administering RAP claims.

Volume III

[MS 3750](#) is revised to add that RAP can be used to help K-TAP recipients move in order to maintain employment that was reported and verified timely, and obtained within 90 days of the request date. Additionally, a statement is added to state RAP payments are issued for actual expenses only, up to \$500.

[MS 3760](#) is revised to state a K-TAP recipient may receive RAP if the request is received within 90 days of the employment hire date. When requesting RAP, the current residence must be 10 miles or more from the employment with the new residence closer than the current residence. A reference to Vol. IIIA, MS 4355, was added for workers to use as a guideline for appropriate documentation to verify domestic violence. RAP benefits are used to pay actual expenses only, up to a maximum of \$500. Claims are now pursued for all RAP benefits issued erroneously due to agency or client error, if the individual does not move, the job does not materialize or the benefits are used erroneously regardless of party at fault.

[MS 3770](#) is revised to make technical corrections to the section.

[MS 3790](#) is revised to instruct workers that once a RAP application is approved, comments detailing RAP approval are entered on the KAMES comment screen for auditing purposes. The statement that two-party checks are not authorized for any STEP check is removed. Additionally, the name and number of the report listing all RAP payments is included.

Mark Washington, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 276  
January 1, 2007

To: All Field Staff

Subject: Administrative Hearings Involving Medical Review Team (MRT) Determinations

Volume I

[MS 0570](#) is revised to include procedures for a hearing in which new medical information is presented at the hearing. When new medical information is presented at the hearing, the hearing officer may issue an interim order remanding the case to MRT. The interim order will list the new medical information to be considered.

MRT has 30 calendar days to make a redetermination upon receipt of the interim order. If MRT needs more time, a 30-day extension may be requested. If MRT does not make a determination within 30 days or 60 days, if an extension is granted, a recommended order can be drafted without MRT's redetermination. If the Agency is upheld, the client may file an appeal.

When a hearing involves an MRT determination, it is imperative that the worker bring form PA-601T, Referral for Determination of Incapacity/Disability, and the packet of information MRT used to make the determination to the hearing. Also, bring several forms MRT-15, Authorization to Disclose Information to the Cabinet for Families and Children, for the client to sign if the case is to be remanded to MRT. This will facilitate the redetermination process.

Please review MS 0570 for detailed procedures.

Mark Washington, Acting Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 275  
September 1, 2006

To: All Field Staff

Subject: Administrative Hearing Policy and Procedures

This transmittal incorporates the changes to the administrative hearing process. As a result, several manual sections were eliminated and the information moved into other sections. This was done to provide a more effective explanation of the policy and procedures. Due to the extensive changes to this subchapter, review this subchapter in its entirety.

Volume I

The following changes are made to the [Table of Contents](#) (TOC):

- The subchapter "Appealable Issues", 0550 – 0649, is renamed "Administrative Hearings and Appeals".
- The following sections are removed: MS 0556, 0569, 0571, 0577, 0592, 0595, and 0604.
- The following sections are added:
  - MS 0566, Hearing Process Flow Chart;
  - MS 0570, Hearing Requests Involving Medical Review Team Determinations;
  - MS 0572, Hearing Request for Medicaid Discontinued Due to the Loss of Supplemental Security Income (SSI);
  - MS 0574, Hearing Time Frames; and
  - MS 0594, Recommended Order.
- The following sections have name changes:
  - MS 0550, Administrative Hearing Overview;
  - MS 0586, Client's Hearing Rights; and
  - MS 0598, The Final Order.
- The following sections are renumbered:
  - MS 0574, Scheduling the Hearing, to MS 0576; and
  - MS 0577, Program Participation Pending the Hearing – IM Programs, to MS 0578.

[MS 0506](#) is revised to correct the link to DCBS online forms and change the Food Stamp contact person to Susan Hunt.

[MS 0550](#) is renamed "Administrative Hearing Overview" and provides a general overview of the hearing process. Material concerning types of hearings previously located in MS 0565 is incorporated into this section.

MS 0556 is deleted and the information moved to Volume III.

[MS 0565](#) is revised to provide a comprehensive explanation of the hearing process including the Agency's responsibilities in preparing for the hearing and giving testimony at the hearing. This incorporates the information published in FSM-05-04-37, Administrative Hearing Process Changes, and FSM-05-09-68, Administrative Hearing Protocol.

[MS 0566](#) is created to provide a flow chart of the hearing process.

[MS 0568](#) is revised to state that the hearing request is forwarded directly to the Administrative Hearings Branch (Families and Children) at mail stop 1E-D and that the adverse action notices are forwarded with the hearing request. No longer is case material forwarded to the Hearing Branch. A reminder to be specific as to the client's reason for the hearing is added to the material. In addition, the address to which a request for a hearing concerning Medicaid covered service issues is changed. These requests are now sent to the Department for Medicaid Services, Division of Administration and Financial Management, Administrative Services Branch, HR Bldg. 6W-C.

MS 0569 is obsolete as the material is moved to MS 0574.

[MS 0570](#) is created to provide information concerning hearing requests involving Medical Review Team (MRT) determinations of incapacity/disability. This information is from FSM-06-05-30, Administrative Hearing and Medical Review Team Determinations, 5/8/06.

MS 0571 is deleted. The information is now contained in MS 0565.

[MS 0572](#) is created to provide procedures concerning hearings involving Medicaid discontinuances due to the loss of SSI.

[MS 0574](#) is revised with information formerly from MS 0569.

[MS 0576](#) is created with information concerning scheduling hearings formerly found in MS 0574.

MS 0577 is renumbered to [0578](#) and is revised to replace "Accounts Management Branch" with "General Accounting".

[MS 0583](#) is revised to correct the name of the Hearings Branch.

[MS 0586](#) is renamed to "Client's Hearing Rights" and to correct the Hearings Branch name. In addition, information previously found in MS 0592 is now incorporated in this section.

[MS 0589](#) is revised to replace "recipient" with "client".

MS 0592 is deleted. The information is now incorporated in MS 0586.

[MS 0594](#) is created to provide an explanation of the recommended order. No action is taken based on the recommended order.

MS 0595 is deleted. The information is now incorporated in MS 0565.

[MS 0598](#) is renamed "The Final Order". The process now consists of a recommended order rendered by the hearing officer, a review and exception phase, and a final order signed by the DCBS Commissioner. This section now provides information concerning the final order. Pertinent action is taken upon receipt of the final order.

[MS 0601](#) is revised to change "PA" to "IM" and to refer to the hearing decision as a final order signed by the DCBS Commissioner. Also, the reference to a case card is removed and replaced with instructions to enter a spot check on KAMES for any recommended reexamination by the Medical Review Team. It also includes information from FSM-06-05-30.

MS 0604 is deleted as the process no longer exists with the implementation of the revised hearing procedures issued by FSM-05-04-37. This FSM is incorporated with this transmittal letter.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 274  
September 1, 2006

To: All Field Staff

Subject: Volume I Revisions

This transmittal letter contains a major rewrite of the Claims chapter. The rewrite includes the change from the Kentucky Claims Automation (KCA) and the Kentucky Claims Ledger (KCL) systems to the Kentucky Claims Debt Management (KCD) system, and incorporation of OM updates and Family Support memorandums (FSM). In addition, the material is reorganized for a more effective delivery of policy and procedures.

Considering the extensive changes to the material, it is recommended that the entire Claims Chapter be reviewed, not just this cover letter.

Volume I

[The Table of Contents](#) (TOC) is revised to remove the following sections as they are obsolete:

- MS 1500, Erroneous Benefits
- MS 1503, Other Potential Fraud and Abuse
- MS 1505, Claims Systems
- MS 1506, Avoiding Erroneous Benefits
- MS 1507, Pre-eligibility Fraud Detection
- MS 1509, "Hotline" Referrals from the OIG
- MS 1512, Claims Control Files
- MS 1515, Timely Claims Processing
- MS 1518, Claims - Sponsored Aliens
- MS 1519, Claims - FS Categorically Eligible
- MS 1520, OIG Location
- MS 1521, OAG Location
- MS 1523, OIG/OAG Referrals
- MS 1526, OIG/OAG Referral Procedures
- MS 1529, Supervisor Responsibilities for Referrals
- MS 1535, OIG Responsibilities
- MS 1536, OAG Responsibilities
- MS 1538, Request for Computations
- MS 1560, Introduction
- MS 1563, Local Office Responsibilities
- MS 1566, Operation Support Branch, Claims Section Responsibilities
- MS 1569, Procedures for Approvals/Reapprovals
- MS 1572, Procedures for Active Cases - New Claims
- MS 1575, Procedures for Inactive Cases - New Claims
- MS 1581, Payments Received in the Local Office

MS 1584, Claims in Multiple Programs  
MS 1587, Moves Out-of-County or In/Out-of-State  
MS 1590, Claims and Bankruptcy  
MS 1595, Terminated FS Claims  
MS 1600, Claims Categories  
MS 1602, Claims Procedures  
MS 1603, Who Must Repay - FS  
MS 1606, Criteria for AE Claims  
MS 1607, Criteria for IHE Claims  
MS 1612, Calculating AE/IHE FS Claims  
MS 1614, Criteria for IPV Claims  
MS 1615, Calculating IPV Claims  
MS 1618, Joint AE/IHE and IPV Claims  
MS 1621, FS Repayment Methods  
MS 1622, Collection of Last Payment  
MS 1623, Collecting Multiple FS Claims  
MS 1624, Refunds  
MS 1627, Compromising Claims  
MS 1630, Introduction to FS Restorations  
MS 1631, Restoration Reasons  
MS 1636, Notification  
MS 1639, Disputed Benefits  
MS 1642, Calculating Restorations  
MS 1648, FS Restoration Methods  
MS 1651, Offsetting Claims  
MS 1660, EBT Trafficking Procedures  
MS 1700, Introduction to IPV  
MS 1701, Establishing IPV  
MS 1705, IPV Evidence  
MS 1706, Procedures for Determining IPV  
MS 1708, Administrative Disqualification Hearings  
MS 1709, ADH - Hearing Branch Responsibilities  
MS 1712, Claimant ADH Rights  
MS 1713, ADH - Prior Waiver  
MS 1715, Agency Withdrawal of ADH  
MS 1718, Procedures After Receipt of ADH Decision  
MS 1721, ADH Appeal Rights  
MS 1724, Reversed Disqualifications  
MS 1727, Court Imposed Disqualifications  
MS 1730, Deferred Adjudication  
MS 1733, IPV Disqualification Effective Date  
MS 1736, Imposing IPV Disqualifications  
MS 1737, Failure to Impose Disqualification  
MS 1739, Disqualification File  
MS 1740, Disqualified Recipient Subsystem  
MS 1765, MA IPV Establishment Procedures  
MS 1770, Recipient's Rights for MA IPV Disqualification Hearing  
MS 1775, MA IPV Hearing Process  
MS 1780, Penalties for MA IPV  
MS 1782, Exceptions to MA IPV Disqualification  
MS 1785, Procedures for Handling Extraordinary Circumstance  
MS 1790, MA IPV Appeal Rights  
MS 1792, Collection  
MS 1842, K-TAP Lump Sum

MS 1845, K-TAP Installment Payments  
MS 1848, K-TAP Benefit Reduction  
MS 1865, K-TAP Supplementals  
MS 1866, Computing the Underpayment  
MS 1869, Underpayment – Denial/Discontinuance and Reinstatement.

The following sections are added to the TOC:

MS 1485, Employee Fraud  
MS 1495, How to Prevent a Claim  
MS 1497, How to Identify a Claim  
MS 1504, Claims Computer System  
MS 1507, Maintaining Claims Control Files  
MS 1509, Timely/Past Due  
MS 1512, Moves Out-of-County or In/Out-of-State  
MS 1514, What is a Claim in Food Stamps (FS)  
MS 1515, Claims Procedures for Specific Food Stamp (FS) Households  
MS 1520, Trafficking Benefits/Selling Food/Retailer Fraud  
MS 1525, Procedures for Suspected Claims  
MS 1530, How to Calculate a Food Stamp (FS) Claim  
MS 1535, How to Determine the First Month of a Food Stamp Claim  
MS 1540, What is an Agency Error (AE) Claim  
MS 1545, How to Process an Agency Error (AE) Claim  
MS 1550, What is an Inadvertent Household Error (IHE) Claim  
MS 1555, How to Process an Inadvertent Household Error (IHE) Claim  
MS 1560, Joint Agency Error/Inadvertent Household Error (AE/IHE)  
Food Stamp (FS) Claims  
MS 1565, Joint Agency Error/Inadvertent Household Error (AE/IHE) and  
Intentional Program Violation (IPV) Claims  
MS 1570, What is an Inadvertent Household Error (IHE)/Suspected Intentional Program  
Violation/Intentional Program Violation (SIPV) Claim  
MS 1575, How to Process a Suspected Intentional Program Violation/Intentional Program  
Violation (SIPV/IPV) Claim  
MS 1580, What is an Intentional Program Violation (IPV) Claim  
MS 1585, How to Prove an Intentional Program Violation (IPV) Claim  
MS 1590, How to Process an Intentional Program Violation (IPV) Claim  
MS 1600, What is an Administrative Disqualification Hearing (ADH)  
MS 1605, What are the Local Office Responsibilities for an Administrative Disqualification  
Hearing (ADH)  
MS 1610, Administrative Disqualification Hearing (ADH) Process Flow Chart  
MS 1615, What are Hearing Branch Responsibilities for an Administrative Disqualification  
Hearing (ADH)  
MS 1620, What Are the Client's Rights During an Administrative Disqualification Hearing  
(ADH)  
MS 1625, Client Request for Redetermination Based on Prior Waiver/FS-80  
MS 1630, Procedures for Agency Withdrawal of Administrative Disqualification Hearing  
(ADH)  
MS 1635, Local Office Procedures for Acting on Administrative Disqualification Hearing  
(ADH) Final Order  
MS 1640, Appeal Rights for an Administrative Disqualification Hearing (ADH)  
MS 1645, Penalties for Imposing Intentional Program Violation (IPV) Disqualifications  
MS 1647, Court Imposed Disqualifications  
MS 1649, Deferred Adjudication  
MS 1651, Intentional Program Violation (IPV) Disqualification Effective Date

MS 1653, Failure to Impose Disqualification  
 MS 1655, Court Reversal of Disqualification  
 MS 1657, Intentional Program Violation (IPV) Disqualification File  
 MS 1659, Disqualified Recipient Subsystem (DRS)  
 MS 1662, Supervisor Responsibilities for Referrals to the Office of Inspector General (OIG)  
 MS 1664, Office of the Inspector General (OIG) Responsibilities  
 MS 1667, Procedures for Acting on Office of Inspector General (OIG) Fraud "Hotline" Referrals  
 MS 1668, What Cases are Referred to Office of Inspector General (OIG)  
 MS 1670, Procedures for Referrals to Office of Inspector General (OIG)  
 MS 1672, Office of Inspector General (OIG) Fraud Referrals  
 MS 1674, Office of Inspector General (OIG) Request for Computations  
 MS 1676, Introduction to Collections  
 MS 1678, Local Office Responsibilities for Collection Activity  
 MS 1679, Payments Received in the Local Office  
 MS 1680, Claims Management Section (CMS) Responsibilities for Collection  
 MS 1682, Who Must Repay the Food Stamp (FS) Claim  
 MS 1684, Food Stamp (FS) Repayment Methods  
 MS 1686, Procedures for Approval/Reapprovals for Cases With Claims  
 MS 1688, Collection Procedures for Active Cases - New Claims  
 MS 1690, Procedures for Inactive Cases – New Claims  
 MS 1694, Collection Procedures for Multiple Food Stamp (FS) Claims  
 MS 1696, Collection of Last Food Stamp (FS) Payment  
 MS 1698, Food Stamp Refunds  
 MS 1700, Compromising Food Stamp (FS) Claims  
 MS 1702, When to Terminate a Food Stamp (FS) Claim  
 MS 1704, Claims and Bankruptcy  
 MS 1706, KY Tax Offset  
 MS 1708, Treasury Offset Program (TOP)  
 MS 1710, Introduction to Food Stamp (FS) Restorations  
 MS 1712, Food Stamp Restoration Reasons  
 MS 1714, Notification of Food Stamp Restoration  
 MS 1716, Disputed Food Stamp Benefits  
 MS 1718, Calculating Food Stamp Restorations  
 MS 1720, Food Stamp (FS) Restoration Methods  
 MS 1721, Food Stamp Restoration Processing  
 MS 1722, Offsetting Food Stamp (FS) Claims  
 MS 1751, How to Prevent a Medical Assistance (MA) Claim  
 MS 1753, What is Medicaid Fraud and Abuse  
 The subchapter 1867 – 1869, Supportive Services and Educational Bonuses

The following sections in the TOC have name changes:

MS 1750, Medicaid Program Violation (MPV) Definitions  
 MS 1752, What is a Medicaid Program Violation (MPV)  
 MS 1755, How to Identify a Medicaid Program Violation (MPV)  
 MS 1760, Procedures for Medicaid Program Violation (MPV) Referrals to the Office of Inspector General (OIG)  
 MS 1795, Procedures for Repayment of Medicaid Program Violation (MPV) Claims  
 MS 1800, What is a Kentucky Transitional Assistance Program (K-TAP) Claim  
 MS 1803, Who Must Repay the Kentucky Transitional Assistance Program (K-TAP) Claim

MS 1806, How to Establish Kentucky Transitional Assistance Program (K-TAP) Claims

MS 1809, Requesting Information for Kentucky Transitional Assistance Program (K-TAP) Claims

MS 1818, How to Determine Kentucky Transitional Assistance Program (K-TAP) Claim Period

MS 1821, How to Calculate Kentucky Transitional Assistance Program (K-TAP) Claims

MS 1824, Kentucky Transitional Assistance Program (K-TAP) Claims for SSI Recipients

MS 1830, How to Collect Kentucky Transitional Assistance Program (K-TAP) Nonfraud Claims

MS 1833, How to Collect Kentucky Transitional Assistance Program (K-TAP) Fraud Claims

MS 1839, Kentucky Transitional Assistance Program (K-TAP) Repayment Options

MS 1851, Voluntary Return of Kentucky Transitional Assistance Program (K-TAP) Check to Avoid a Claim

MS 1854, Voluntary Return of Kentucky Transitional Assistance Program (K-TAP) Check to Repay Claim

MS 1857, How to Offset the Kentucky Transitional Assistance Program (K-TAP) Claim

MS 1860, Procedures for Refunds in Kentucky Transitional Assistance Program (K-TAP) and Other Programs

MS 1863, Procedures for Kentucky Transitional Assistance Program (K-TAP) Underpayments

MS 1870, Kinship Care Program Claims

The subchapter 1880-1890, Family Alternatives Diversion Program (FAD)

MS 1880, What is a Family Alternatives Diversion (FAD) Claim

MS 1885, How to Establish the Family Alternatives Diversion (FAD) Claim

MS 1890, Collection Procedures for Family Alternatives Diversion (FAD) Claims

The subchapter 1891-1899, Work Incentive (WIN) Reimbursements

MS 1891, What is a Work Incentive (WIN) Reimbursement Claim

MS 1895, Procedures for Work Incentive (WIN) Reimbursement Repayment

Manual sections 1500, 1503, 1505, 1506, 1507, 1509, 1512, 1515, 1518, 1519, 1520, 1521, 1523, 1526, 1529, 1535, 1536, 1538, 1560, 1563, 1566, 1569, 1572, 1575, 1581, 1584, 1587, 1590, 1595, 1600, 1602, 1603, 1606, 1607, 1612, 1614, 1615, 1618, 1621, 1622, 1623, 1624, 1627, 1630, 1631, 1636, 1639, 1642, 1648, 1651, 1660, 1700, 1701, 1705, 1706, 1708, 1709, 1712, 1713, 1715, 1718, 1721, 1724, 1727, 1730, 1733, 1736, 1737, 1739, and 1740 are removed and replaced with newly created MS 1490 through MS 1722. This was completed to reorganize, reformat and provide more specific instructions in regard to the claims process. OM Upd. No. 05-25, Change in Procedures for Food Stamp Claim Processing and for Claim Referrals to OIG, MS 99709, 8/1/05, which gave procedures for FS Claim Processing and OIG Referrals is incorporated into MS 1500 through MS 1720 and is now obsolete. OM Upd. No. 05-29, New Claims System, MS 99713, 10/1/05, which advised staff that: the KCD system is available 10/3/05; KCD Manual is forthcoming; and that referrals to \$1,000 or more are to be sent to OIG is incorporated into MS 1500 through MS 1720 and is now obsolete.

MS 0512 is revised to incorporate OM Upd. No. 05-32, Refusal to Cooperate with Quality Control (QC) Food Stamp Program, MS 99716, 10/1/05, that changed the mailing address to notify QC of the household's intention to cooperate with the QC analyst. OM Upd. No. 05-32 is now obsolete.



[MS 1485](#) is created to incorporate and update information that was previously in MS 1503 concerning fraudulent employee fraud, and to remove references concerning MA vendor fraud as this information has been moved to the MA Claims Section.

[MS 1495](#) is created to incorporate and update information that was previously in MS 1506 and 1507 concerning avoiding an overissuance of benefits and fraud detection, and to include Determining Eligibility Through Extensive Review (DETER) as one of the methods of detections.

[MS 1497](#) is created to incorporate and update information that was previously in MS 1500, and to remove references to K-TAP claims and timeframes that are no longer relevant for this MS.

[MS 1504](#) is created to explain that KCD is now the system used to establish and collect claims.

[MS 1507](#) is created to incorporate and update information that was previously in MS 1512 concerning maintaining claim control files; to remove the reference to OAG; and change "KCA" to "KCD".

[MS 1509](#) is created to incorporate and update information that was previously in MS 1515 concerning timely claims processing, and to change "KCA" to "KCD". It is further updated to clarify the discovery date of a claim.

[MS 1512](#) is created to incorporate and update information that was previously in MS 1587 concerning claims moving between counties and states. It is further updated to change "KCA" to "KCD".

[MS 1514](#) is created to update information that was previously in MS 1600 concerning an overissuance of food stamp (FS) benefits and the FS claim categories. It is further created to provide timeframes for claim establishment and when corrective action is needed.

[MS 1515](#) is created to incorporate and update information for specific food stamp households that was previously in MS 1518. It is further updated to include information on specific claims such as, authorized representative; Voluntary Quit; Ineligible Members; Disqualified Members; Fleeing Felons; and Simplified Reporting (SR) households.

[MS 1520](#) is created to incorporate and update information that was previously in MS 1660 concerning EBT Trafficking and Retailer Fraud; to change "KCA" to "KCD"; and to remove the reference to OAG.

[MS 1525](#) is created to incorporate and update information that was previously in MS 1602 concerning procedures for suspected claims, and to change "KCA" to "KCD".

[MS 1530](#) is created to provide specific instructions on how to calculate Food Stamp claims.

[MS 1535](#) is created to incorporate and update information that was previously in MS 1615, and to provide specific information on how to determine the first month of an overissuance period.

[MS 1540](#) is created to incorporate and update information that was previously in MS 1606 concerning Agency Error (AE) claims; to provide more details on when a "No Claim" exists; and to change "KCA" to "KCD".

[MS 1545](#) is created to provide more specific instructions on how to process AE claims.

[MS 1550](#) is created to incorporate and update information that was previously in MS 1607 concerning Inadvertent Household Error (IHE); to provide more details of when a "No Claim" exists; and to change "KCA" to "KCD".

[MS 1555](#) is created to provide more specific instructions on how to process IHE claims.

[MS 1560](#) is created to incorporate and update information that was previously in MS 1612 concerning Joint AE/IHE FS claims, and to change "KCA" to "KCD".

[MS 1565](#) is created to incorporate and update information that was previously in MS 1618 concerning Joint AE/IHE and Intentional Program Violation (IPV) claims.

[MS 1570](#) is created to incorporate and update information that was previously in MS 1614 concerning IPV claims and to include information concerning the Suspected Intentional Program Violation (SIPV) indicator code. It is also updated to change "KCA" to "KCD".

[MS 1575](#) is created to provide specific instructions on referrals to OIG of suspected SIPV/IPV claims of \$1,000 or more.

[MS 1580](#) is created to incorporate and update information that was previously in MS 1700 concerning IPV claims, and to include information concerning trafficking on an EBT card.

[MS 1585](#) is created to incorporate information that was previously in MS 1705 concerning IPV evidence.

[MS 1590](#) is created to incorporate and update information that was previously in MS 1706 concerning IPV procedures, and to change "KCA" to "KCD".

[MS 1600](#) is created to incorporate information that was previously in MS 1708 concerning Administrative Disqualification Hearings (ADH) for organizational benefits.

[MS 1605](#) is created to provide specific instructions on local office responsibilities in regard to ADH.

[MS 1610](#) is created to provide an Administrative Disqualification Hearing Process flow chart.

[MS 1615](#) is created to incorporate and update information that was previously in MS 1709 concerning the Hearing Branch responsibilities in regard to ADH, and to include information on Recommended Orders.

[MS 1620](#) is created to incorporate and update information that was previously in MS 1712 concerning client rights in regard to ADH, and to reference Final Order.

[MS 1625](#) is created to incorporate information that was previously in MS 1713.

[MS 1630](#) is created to incorporate and update information that was previously in MS 1715 concerning Agency Withdrawal of ADH, and to include more specific instructions for staff when the household member contacts the agency to sign form FS-80 Supplement A, Voluntary Waiver of Administrative Disqualification Hearing.

[MS 1635](#) is created to incorporate and update information that was previously in MS 1718 concerning procedures after the receipt of an ADH, and to change "KCA" to "KCD".

[MS 1640](#) is created to incorporate information that was previously in MS 1721 concerning ADH appeal rights.

[MS 1645](#) is created to incorporate and update information that was previously in MS 1736 concerning imposing of IPV disqualifications, and to include information on the disqualification codes and disqualification form numbers.

[MS 1647](#) is created to incorporate and update information that was previously in MS 1727 concerning court imposed disqualifications.

[MS 1649](#) is created to incorporate and update information that was previously in MS 1730 concerning Deferred Adjudication, and to remove references to OAG.

[MS 1651](#) is created to incorporate information that was previously in MS 1733 concerning IPV Disqualification Dates.

[MS 1653](#) is created to incorporate information that was previously in MS 1737 concerning procedures to use when the agency fails to impose an IPV disqualification.

[MS 1655](#) is created to incorporate information that was previously in MS 1724 concerning Reversed Disqualifications.

[MS 1657](#) is created to incorporate information that was previously in MS 1739 concerning the IPV Disqualification file.

[MS 1659](#) is created to incorporate information that was previously in MS 1740 concerning DRS; to change "RMDS" to "RDS"; and to remove supervisor's name from policy material.

[MS 1662](#) is created to incorporate and update information that was previously in MS 1529 concerning a supervisor's responsibilities for OIG referrals, and to remove the reference to OAG.

[MS 1664](#) is created to incorporate and update information that was previously in MS 1664 concerning OIG Responsibilities; to change the amount of referrals to \$1,000; and to remove the reference to OAG.

[MS 1667](#) is created to incorporate and update information that was previously in MS 1509 concerning the OIG Fraud Hotline; to change "KCA" to "KCD"; and remove the reference to OAG.

[MS 1668](#) is created to incorporate and update information that was previously in MS 1523 concerning OIG Referrals; to remove references to OAG; to change "KCA" to "KCD"; and to state that child care and MA claims are not entered on KCD unless court ordered with a companion case.

[MS 1670](#) is created to incorporate and update information that was previously in MS 1526 concerning OIG Referral procedures; to remove the reference to OAG; to change "KCA" to "KCD"; and to change the amount of OIG referrals to \$1,000.

[MS 1672](#) is created to provide detailed instructions concerning OIG referrals.

[MS 1674](#) is created to incorporate and update information that was previously in MS 1538 concerning OIG computations requests; to change "KCA" to "KCD"; and to change the amount of OIG referrals to \$1,000.

[MS 1676](#) is created to incorporate and update information that was previously in MS 1560 concerning collections, and to add KCD procedures.

[MS 1678](#) is created to incorporate and update information that was previously in MS 1563 concerning local office responsibilities in regard to collection activity; to change the Claims Management Section (CMS) phone number; to add CMS address; to add payments accepted by personal check; to change "KCA" to "KCD" ; and to change the manual section reference.

[MS 1679](#) is created to incorporate and update information that was previously in MS 1581 concerning payments received in the local office; to change "Claims Section" to "CMS"; to change CMS address; to change "EBT System" to "EBT Browser"; to change the cabinet name; and to change "KCA" to "KCD".

[MS 1680](#) is created to incorporate and update information that was previously in MS 1566 concerning CMS responsibilities for collection, and to change "Claims Section" to "Claims Management Section".

[MS 1682](#) is created to incorporate and update information that was previously in MS 1603 concerning who must repay FS, and to change "KCA", "KCL" to "KCD".

[MS 1684](#) is created to incorporate and update information that was previously in MS 1621 concerning FS repayment methods; to state that cash is not accepted as payment; and to change "Claims Section" to "CMS".

[MS 1686](#) is created to incorporate and update information that was previously in MS 1569 concerning procedures for Approval/Reapprovals, and to change "KCA" to "KCD".

[MS 1688](#) is created to incorporate and update information that was previously in MS 1688 concerning collection procedures for active cases and new claims, and to change "Claims Section" to "CMS" and "KCA" to "KCD".

[MS 1690](#) is created to incorporate and update information previously in MS 1575 concerning collection procedures for inactive cases, and to change "KCA" to "KCD".

[MS 1694](#) is created to incorporate and update information that was previously in MS 1623 concerning collection of multiple FS claims, and to change procedures of collection on these claims.

[MS 1696](#) is created to incorporate and update information that was previously in MS 1622 concerning collection of last payment; to include instructions to forward payments to CMS; and that CMS will complete any refunds due.

[MS 1698](#) is created to incorporate and update information that was previously in MS 1624 concerning Refunds; to change "KCA" to "KCD"; and to add instructions for when a claim is overpaid.

[MS 1700](#) is created to incorporate and update information that was previously in MS 1627 concerning compromising Food Stamp claims, and to add instructions on inactive claims.

[MS 1702](#) is created to incorporate and update information that was previously in MS 1595 concerning terminated FS claims; to change "KCA" to "KCD"; and to change the report name on RDS.

[MS 1704](#) is created to incorporate and update information that was previously in MS 1590 concerning claims and bankruptcy; and to change "Claims Section" to "CMS" and "KCA" to "KCD". Also, if a claim has a filed bankruptcy petition, cease all collection activity.

[MS 1706](#) is created to give information concerning the Ky. Tax Offset.

[MS 1708](#) is created to give information concerning the Federal Treasury Offset Program (TOP).

[MS 1710](#) is created to incorporate and update information previously in MS 1630 concerning FS restorations, and to remove the reference to KCA.

[MS 1712](#) is created to incorporate information previously in MS 1631 concerning restoration reasons.

[MS 1714](#) is created to incorporate information previously in MS 1636 concerning notification of restorations.

[MS 1716](#) is created to incorporate information previously in MS 1639 concerning disputed Food Stamp benefits.

[MS 1718](#) is created to incorporate and update information previously in MS 1642 concerning calculating Food Stamp restorations, and to remove the reference of KCA. KCD system does not calculate restorations.

[MS 1720](#) is created to incorporate and update information that was previously in MS 1648 concerning FS Restoration Methods, and to change "KCA" to "KCD".

[MS 1721](#) is created to incorporate information from OM Update 05-04, Change in Processing of Restorations, Replacements and Supplementals, MS 99688, 1/1/05 concerning processing of Food Stamp restorations on KAMES.

[MS 1722](#) is created to incorporate information previously in MS 1651 concerning offsetting Food Stamp claims.

[MS 1750](#) is revised to change the term “Medicaid Intentional Program Violation (MA IPV)” to “Medicaid Program Violation (MPV)”. It is further revised to remove the definitions “Disqualification Hearing” “Eligibility Based MA IPV”, “Extraordinary Circumstance”, and “Non-Eligibility Based MA IPV”. The definition of “Penalty” is changed to indicate that it is an action taken by OIG rather than by the Department for Medicaid Services (DMS) and to remove language relating to the restriction or revoking of an individual’s participation in Medicaid. Further, the definition of “Penalty” no longer states that repayment is required but that it may be required. The title of the manual section is also changed to “Medicaid Program Violation (MPV) Definitions”.

[MS 1751](#) is created to provide guidelines to workers for avoiding erroneous benefits.

[MS 1752](#) is revised to change “Medicaid Intentional Program Violation (MA IPV)” to “Medicaid Program Violation (MPV)” and “MAID card” to “KYHealth card”. It is further revised to remove references to disqualifications per OIG because Kentucky cannot disqualify individuals from Medicaid. Disqualification is only done on the Federal level. The title is changed from “Introduction to MA IPV” to “Introduction to MPV”.

[MS 1753](#) is created to incorporate that portion of the deleted MS 1503 which addresses Medicaid vendor fraud and abuse.

[MS 1755](#) is revised to change “MA IPV” to “MPV” and to add “(PAFS-84)” to item C.

[MS 1760](#) is revised to change “MA IPV” to “MPV” and to remove any references to OAG. It is further revised to change the amount of the value of estimated total MA and related K-TAP or FS claims to be referred to OIG to \$1,000. Item A.2 is changed to state that any suspected FS IPV or K-TAP fraud cases that involve at least one month of MA ineligibility must be referred to OIG, regardless of the dollar amount of the suspected FS and/or K-TAP claim. An instruction to use PAFS-88 to refer suspected non-eligibility based MPV’s to OIG is added to item B.

[MS 1795](#) is revised to rename the section “Procedures for Repayment of Medicaid Program Violation (MPV) Claims”; to replace “IPV” with “MPV”; and to replace “DMS” with “OIG”. Item B is deleted and items A.1-4 are renumbered A-D. The information from MS 1792 is added.

[MS 1800](#) is revised to incorporate OM Update No. 05-08, K-TAP Administrative Claims, MS 99692, 2/1/05, and to rename the section “What is a Kentucky Transitional Assistance Program (K-TAP) Claim”.

[MS 1803](#) is revised to rename the section “Who Must Repay the Kentucky Transitional Assistance Program (K-TAP) Claim”. It is further revised to include information formerly located in MS 1518 concerning overpayments involving sponsored aliens. Also, “Claims Section” is changed to “Claims Management Section”.

MS 1806 is revised to change “entitled” to “eligible” and “grant” to “benefit amount”.

[MS 1809](#) is revised to change “KCA” to “KCD” and replace the reference to form AF-1 with form PAFS-2, Application Letter or Notice of Expiration.

[MS 1818](#) is revised to incorporate OM Update 05-08 and change “grant” to “benefit amount”.



[MS 1821](#) is revised to change the mail stop of General Accounting to 3W-C; "KCA" to "KCD"; and to incorporate OM Update No. 05-08.

[MS 1824](#) is revised to change "grant" to "benefit amount".

[MS 1828](#) is revised to change "KCA" to "KCD" which incorporates OM Update No. 05-29.

[MS 1830](#) is revised to rename the section "How To Collect Kentucky Transitional Assistance Program (K-TAP) Nonfraud Claims". In addition, the section is revised to change "KCA" to "KCD" and "Claims Section" to "Claims Management Section", and to refer to the new KCD notices and procedures.

[MS 1833](#) is revised to rename the section "How To Collect Kentucky Transitional Assistance Program (K-TAP) Fraud Claims". It is further revised to change "KCA" to "KCD" and to refer to the new KCD notices and procedures.

[MS 1839](#) is revised to rename the section "Kentucky Transitional Assistance Program (K-TAP) Repayment Options" and incorporates the information found in MS 1842, MS 1845, and MS 1848. It also is revised to change "KCA" to "KCD" and refer to the new KCD procedures.

[MS 1851](#) is revised to change "KCA" to "KCD"; "recipient" to "client"; "Quality Central" to "Central Office"; "grant" and "entitlement" to "benefit"; and "DCS" to "Division of Child Support". In addition, the example was reworded to clarify that if a K-TAP check is returned for a month in which benefit reduction is applied to repay a previous overpayment, the new overpayment is established and reduced by the amount of the actual K-TAP check.

[MS 1854](#) is revised to change "recipient" to "client"; "KCA" to "KCD"; and "Quality Central" to "Central Office".

[MS 1857](#) is revised to rename the section "How To Offset the Kentucky Transitional Assistance Program (K-TAP) Claim"; to change "KCA" to "KCD" and "Claims Section" to "Claims Management Section"; and to state that the Claims Management Section issues refunds for claims being collected by them.

[MS 1860](#) is revised to rename the section "Procedures for Refunds in Kentucky Transitional Assistance Program (K-TAP) and Other Programs". It is further revised to change "recipient" to "client", "Claims Section" to "Claims Management Section", and "supplemental" to "special circumstance".

[MS 1863](#) is revised to incorporate the information from MS 1865 and MS 1866 and to change "recipient" to "client" and "entitlement" to "eligible benefit amount". Also, the section was renamed "K-TAP Underpayments".

[MS 1870](#) is revised to incorporate OM Update No. 05-08 and to change "Claims Section" to "Claims Management Section" and "KCA" to "KCD".

[MS 1880](#) is revised to rename the section "What Is a Family Alternatives Diversion (FAD) Claim" and is further revised to remove ERA from the title and text and to incorporate OM Update No. 05-08.

[MS 1885](#) is revised to rename the section “How to Establish the Family Alternatives Diversion (FAD) Claim” and is further revised to remove ERA from the title and the text and to change “KCA” to “KCD”. In addition, it is clarified that the Claims Management Section pursues collection of the FAD claims and that FAD claims are referred to OIG.

[MS 1890](#) is revised to rename the section “Collection Procedures for Family Alternatives Diversion (FAD) Claims”, and is further revised to remove ERA from the title and text and to change “Claims Section” to “Claims Management Section”.

[MS 1891](#) is revised to rename the section “What Is a Work Incentive (WIN) Reimbursement Claim”.

[MS 1895](#) is revised to incorporate OM Update No. 05-08 to change “KCA” to “KCD” and “Claims Section” to “Claims Management Section”. In addition, WIN overpayments can be referred to OIG for investigation.

[MS 1943](#) is revised to change the option Batch Match from “M” to “H”.

#### Volume X

The [Table of Contents](#) is revised to remove the following as all are now obsolete:

- OM Upd. No. 05-08, MS 99692, 2/1/05;
- OM Upd. No. 05-25, MS 99709, 8/1/05;
- OM Upd. No. 05-29, MS 99713, 10/1/05; and
- OM Upd. No. 05-32, MS 99716, 10/1/05.

OM Upd. No. 04-19, Multiple Changes to FAD, [MS 99673](#), 7/5/04, is revised to remove the cross-references to Vol. I, MS 1503 and MS 1520, as these sections are obsolete. The information pertaining to FAD claims is incorporated in the MS 1835.

OM Upd. No. 05-04, Changes in Processing of Restorations, Replacements and Supplementals, [MS 99688](#), 1/1/05, is revised to remove cross-references to Vol. I, MS 1630, MS 1631, MS 1648 and MS 1865 as these sections are incorporated into Vol. I, MS 1721.

Tom Emberton, Jr., Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 273  
July 1, 2006

To: All Field Staff

Subject: Child Care Assistance Program

Volume I

The [Table of Contents](#) is revised to rename [MS 1125](#), CCAP Authorization and Referral Process.

[MS 1100](#) is revised to change the income limit for individuals transitioning off K-TAP from 85% of the state median income level to 165% of the federal poverty level.

[MS 1110](#) is revised to change "enrolled" provider to "registered" provider and remove the region and payment tables.

[MS 1115](#) is revised to change the initial and ongoing income eligibility tables and to revise the effective dates. A new table is added to illustrate the initial income limit of 150% of the federal poverty level. This manual section is further revised to add the 20-hour work requirement for individuals attending post-secondary education and training programs.

[MS 1125](#) is revised to rename the manual section "CCAP Authorization and Referral Process". Additionally, this section is revised to clarify which form is appropriate to use when authorizing child care assistance or referring for child care assistance.

Volume IIIA

[MS 4240](#) is revised to reference the Division of Child Care (DCC).

[MS 5250](#) is revised to change the "Department of Employment Services (DES)" to "Office of Employment and Training (OET)", and to establish that hearing requests regarding the CCAP case, CCAP payments or co-pays are requested through DCC.

[MS 5260](#) is revised to change "enrolled" provider to "registered" provider and to remove references to qualified relatives as they are considered registered providers.

[MS 5270](#) is revised to change the procedures for authorizations for child care assistance from service agents to the Division of Child Care; to change "DES" to "OET"; to add the procedures for referrals to DCC; to detail DCC's responsibilities for case management; and to clarify that KWP participant enrollment fees may be paid by CCAP.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 272  
July 1, 2006

To: All Field Staff

Subject: MS 1020, When You Need Help

Volume VI

[MS 1020](#) is revised to correct KAMES Help Desk and Security phone numbers and change "Hardware" to "Commonwealth Service Desk".

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 271  
May 1, 2006

To: All Field Staff

Subject: Determining Eligibility Through Extensive Review (DETER)

The DETER referral process and procedures are added to manual material to provide details regarding the DETER program and how DETER can benefit workers and recipients, when used correctly. Currently DETER operates in Daviess, Jefferson and Kenton counties and is in the pilot stage in Boone and Campbell counties.

Volume I

MS 1508, Determining Eligibility Through Extensive Review (DETER), is added to the [Table of Contents](#).

[MS 1508](#) is added to outline the correct procedures to refer a case to DETER.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 270  
May 1, 2006

To: All Field Staff

Subject: Documentation of Limited English Proficiency (LEP) Services

Volume I

[MS 0112](http://chfsnet.ky.gov/afa/ohrm/dem/lep) is revised to provide the Language Access Section website address:  
<http://chfsnet.ky.gov/afa/ohrm/dem/lep>.

This website provides links to:

- Interpretation Resources;
- LEP Office Signage and Telephone Resources;
- LEP On-line Training; and
- Translation Resources.

A statement is added that it is imperative that the online monitoring tool be completed to annotate the usage of LEP services. This information is vital to identifying and providing LEP services for the region.

[MS 0115](#) is revised to require documentation in the case record and on KAMES or STEP when interpreter services are used. Documentation should include:

- When;
- What option was used; and
- Reason for the service, such as application or recertification interview, interim communications, or translation of forms or other written material.

In addition, the website address for the Language Access Section is added and the training website was removed.

The form, Waiver of Interpreter Services - Limited English Proficiency (LEP), is added to this section to be used when an individual does not want to use the Cabinet approved interpreter.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 269  
January 1, 2006

To: All Field Staff

Subject: Supportive Services and Educational Bonus Overpayments  
and Increase in Transportation Payments

Effective January 1, 2006, as a result of a regulation change, repayment must be pursued on all supportive services and educational bonus overpayments issued due to error, fraud or abuse regardless of the amount. The overpayment must occur on or after January 1, 2006.

System support to enter supportive services and educational bonus overpayments to the Kentucky Claims Debt Management (KCD) System will not be in place until May 1, 2006. Until that time, identify all supportive services and educational bonus overpayments and enter on a log kept in the local office. Once system support is available, staff will be notified and at that time, all identified supportive services and educational bonus overpayments must be entered on the KCD System.

Volume IIIA, [MS 5300](#), [5315](#) and [5320](#) are revised to reflect an increase in transportation payments and a change in the procedure to issue a transportation expense supplement. System support will be in effect January 1, 2006, to reflect an increase in transportation payments issued for February 2006 and ongoing.

Volume I

The [Table of Contents](#) is revised to add [MS 1867](#), Supportive Services and Educational Bonus Overpayment.

[MS 1867](#) is created to allow for the collection of supportive services and educational bonus overpayments. Supportive services overpayments include transportation payments, purchases of items or services needed for participation in Kentucky Works Program (KWP), car repair, short-term training, fees and remedial health care goods and services.

Volume IIIA

[MS 5300](#) is revised to increase the amounts of transportation payments to \$15, \$60, and \$100. All references to paying actual cost up to \$100 are removed. Additionally, procedures for issuing transportation payments for participants in Job Readiness Activities (JRA) are removed. Form PA-33, Verification of Transportation and Participation in Education or Training Activity, must be used when issuing transportation payments, including for participants in JRA.

[MS 5315](#) is revised to remove all references to use of the "A" code as a transportation payment code.

[MS 5320](#) is revised to change the procedure used to issue a supplemental for a transportation expense. The "A" transportation payment code will now be used to issue supplemental transportation payments.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 268  
January 1, 2006

To: All Field Staff

Subject: Various Revisions

Volume IV

The [Table of Contents](#) is revised to rename MS 2580, MRT Referral Procedures and to rename MS 4300, AFDC Related Overview. It is also revised to remove the following manual sections as they are now obsolete: 2585, 3270, 3300, 3310, 3320, 3350, 3360, 3382, 3385, 3390, 4330, 4335, 4345, 4525, 4526, 4529, 4530 and 4535.

[MS 1220](#) and [MS 3400](#) are revised to incorporate OM Upd. No. 03-41, Consideration of IRA's, MS 99651, 12/1/03, which clarified that IRA disbursements are to be considered as entitled benefits. Individuals with IRA's are required to withdraw the minimum disbursements when funds become available. Cross-references to OM Upd. No. 03-41 are removed as it is now obsolete.

[MS 2070](#) is revised to incorporate OM Upd. No. 04-09, Changes in Special Circumstance Processing, MS 99661, 2/1/04. All special circumstance transactions must be approved and signed off by the supervisor or principal worker is added. The statement that "P" cases are the responsibility of the CBW is also added. The name "Department for Social Services (DSS)" is changed to the "Division of Protection and Permanency (DPP)".

[MS 2570](#) is revised to incorporate OM Upd. No. 01-16, Medical Review Team (MRT) Expansion, MS 99564, 8/1/01, which provides instructions for submitting a referral to MRT. Also, the reference to form PA-601 is changed to form PA-601T. The previous numbering error has been corrected.

[MS 2580](#) is retitled "MRT Referral Procedures". It is also revised to remove the cross-reference to OM Upd. No. 01-16, MS 99564, 8/1/01, as the procedures for submitting a referral to MRT are incorporated.

MS 2585 is obsoleted in its entirety as workers are no longer required to request medical records and information for MRT.

[MS 2590](#) is revised to incorporate OM Upd. No. 01-16, MS 99564, 8/1/01, and to update procedures for completing a referral to MRT for a determination of incapacity.

[MS 2780](#) is revised to delete reference to pending applications for pregnant women whose income exceeds the 185% income level and the example. DMS has clarified that pregnant women, on-going income ineligible, are not considered deemed eligible if income eligibility exists in one of three prior months. Wording is revised to change

"AFDC" to "K-TAP" and to add "Family MA". References to the PA-62 system are removed, as "E" and "T" cases are no longer carried on that system.

[MS 2810](#) is revised to delete the cross-references to OM Upd. No. 04-09, MS 99661, 2/1/04, and OM Update No. 05-13, Changes in Processing of Applications, Recertifications, Program Transfers, Member Adds and Conversion Recertifications That Pend for Supervisory Approval, MS 99697, 3/7/05. It is also revised to incorporate the instruction that all special circumstance transactions must be signed off by a supervisor or principal worker. Further revisions include adding Family Related MA and changing references from "AFDC" to "K-TAP". The reference to the completion of the PA-62 document is also removed as these cases are carried on KAMES.

[MS 2880](#) is revised to delete the cross-reference to OM Upd. No. 04-09, MS 99661, 2/1/04, and to incorporate the instruction that all special circumstance transactions must be signed off by the supervisor or a principal worker. It is further revised to change the wording from MAID Card to MA Coverage. Additionally, example A is revised to change the age of the child from 6 years to 1 year of age.

[MS 3250](#), [3290](#), [3340](#), [3400](#), [3590](#), [3850](#), [4312](#), [4320](#), [4325](#) and [4340](#) are revised to incorporate OM Upd. No. 01-13, K-TAP, Family and AFDC-Related MA Policy Changes, MS 99561, 7/1/01, which defined liquid resources as cash, checking and saving accounts, CD's, stocks/bonds and money market accounts. It stipulated that: liquid resources ONLY are considered for eligibility determinations; liquid resources are verified for the application month only unless retroactive coverage is requested; all vehicles are excluded resources; and that interest and dividend income is no longer considered. The policy update also amended non-recurring gift policy to exclude \$30 per member per month.

[MS 3250](#) is further revised to add "Family Related MA" cases, the "E" and "T" categories and to incorporate procedures in OM Upd. No. 05-18, Resource Check Verification on KAMES for LTC Cases, MS 99702, 5/1/05. OM Upd. No. 05-18 clarified that verification of resources and transfer of resources is required for IM cases subject to vendor payment, except for individuals in the following levels of care: Hospice (institutionalized and non-institutionalized); Mental Health/Psychiatric Facility; Psychiatric Residential Treatment Facility (PRTF); and Early, Periodic Screening, Diagnosis and Treatment (EPSDT).

[MS 3260](#) is revised to incorporate the procedures in OM Upd. No. 04-10, Resource Verification at Recertification, MS 99663, 3/1/04, which clarified that verification of resources for the prior month only is required at recertification. MS 3260 is further revised to incorporate the procedures in OM Upd. No. 05-18, which clarified that cases with vendor payments are subject to transfer of resource penalty unless the individual is in any of the following levels of care: Hospice (institutionalized or non-institutionalized); Mental Health/Psychiatric Facility; PRTF; or EPSDT. OM Upd. No. 04-10 is now obsolete.

MS 3270 is obsoleted as burial reserves are no longer considered countable resources in Family Related MA.

MS 3300, 3310, 3320, 3350, 3360, 3382, 3385, 3390 and 4345 are obsoleted with the incorporation of OM Upd. No. 01-13, MS 99561, 7/1/01, which stipulated that liquid resources only are considered for eligibility determinations. OM Upd. No. 01-13 is now obsolete.



[MS 3520](#) is revised to incorporate the procedures in OM Upd. No. 03-35, Review of Annuities, MS 99644, 9/1/03, which added instructions for submitting annuities for review by DMS. The address and fax number for transmitting annuities under cover of MAP-4104, Annuity Transmittal Letter, are added. OM Upd. No. 03-35 is now obsolete.

[MS 3590](#) is also revised to incorporate the procedures in OM Upd. No. 04-10, MS 99664, 3/1/04, which clarified that interest income is no longer considered in the income eligibility determination for vendor payment cases. OM Update No. 04-10, MS 99664 is now obsolete.

[MS 3610](#) is revised to delete the cross-reference to OM Update No. 04-10, MS 99664, 3/1/04, as it was not needed in this manual section.

[MS 3700](#) is revised to delete the cross-reference and to incorporate the procedures in OM Upd. No. 01-10, Family and AFDC-Related MA Policy Changes, MS 99558, 6/1/01, which clarified that self-declaration of income is not acceptable.

[MS 3810](#) is revised to incorporate the procedures in OM Upd. No. 02-01, Lump Sum Income Policy, MS 99572, 1/1/02, which clarified the new procedures for the consideration of lump sum income in AFDC or Family Related MA cases. Lump sum income is now considered unearned income in the month of receipt, and as a resource beginning the following month. If there are resources remaining following the receipt month, only liquid resources are counted. OM Upd. No. 02-01 is now obsolete.

[MS 3850](#) is revised to add Family Related MA Cases in item B. Also, item F is revised to change the acronym "P & P" to "DPP". Item X is revised to state that \$50 child support income disregard is given per household and not per case. [MS 3850](#) is also revised to incorporate the procedures in OM Upd. No. 03-11, Benefits for Children of Women Vietnam Veterans, MS 99614, 3/1/03, which clarified that the Benefits for Children of Vietnam Veterans as provided by the Veteran's Benefits and Health Care Improvement Act of 2000, Public Law 106-419, received by children born with birth defects to women veterans who served in Vietnam during the Vietnam era are excluded.

[MS 4300](#) is revised to delete the cross-reference to OM Pol. Upd. No. 03-16, MA KWP Disqualification, MS 99621, 4/1/03, and its Errata, as the policy for MA KWP disqualifications does not apply to "E" or "T" cases.

[MS 4305](#) is revised to delete the example D.2, referencing eligibility for a stepparent. Stepparents are only eligible if they have their own child in the home or a common child with the specified relative (SR).

[MS 4312](#) is revised to incorporate the procedures in OM Pol. Upd. No. 01-13, MS 99561, 7/1/01, which clarified that real property and personal property are excluded resources. MS 4312 is further revised to incorporate the procedures in OM Upd. No. 05-18, MS 99702, 5/1/05, which clarified that all IM cases with vendor payment are subject to a resource check and transfer of resource penalty except for the following levels of care: Hospice (institutionalized or non-institutionalized); Mental Health/Psychiatric Facility; PRTF; or EPSDT.

[MS 4315](#) is revised to correct the wording in item B to “or if active, KAMES will send a timely notice of action”.

MS 4330, MS 4335 and MS 4345 are obsolete as life insurance and burial reserves are no longer countable resources.

[MS 4340](#) is revised to remove procedures for non-liquid resources and for re-numbering. MS 4340 is also revised to delete the cross-reference to OM Pol. Upd. No. 01-13, MS 99561, 7/1/01, as these procedures do not apply to this section.

[MS 4348](#) is corrected to add the title, “Sale of Property”.

[MS 4360](#) is revised to delete the cross-reference to OM Pol. Upd. No. 01-10, MS 99558, 6/1/01, as it is not needed in this manual section.

[MS 4365](#) is revised to add income from interest and dividends to the list of excluded income.

[MS 4372](#) is revised to remove the reference to “UP” cases as the correct category is “T”.

[MS 4377](#) is revised to state that cash gifts of \$30 or less are now excluded per gift, per month for each case member.

[MS 4385](#) is revised to add that lump sum income is considered as income in the month of receipt and any remaining balance is counted as a resource beginning the following month.

[MS 4395](#) is revised to correct punctuation and syntax.

[MS 4405](#) is revised to delete interest income as countable unearned income per OM Pol. Upd. No. 01-13, MS 99561, 7/1/01.

[MS 4420](#), [MS 4430](#) and [MS 4450](#) are revised to change references from “payment month” to “administratively feasible month”.

[MS 4478](#) is revised to delete the reference to “UP” cases.

[MS 4502](#) is revised to correct wording from “UP” to “T” case.

[MS 4507](#) is revised to correct wording in item 5 to state, “KAMES will post a spot check on the worker’s DSCR”.

[MS 4509](#) is revised to correct wording in item B.2 to state, “KAMES will remove the \$30 deduction”.

MS 4525, MS 4526, MS 4529, MS 4530 and MS 4535 are obsolete in their entirety as an ineligibility period from lump sum income no longer applies.

#### Volume IVA

[MS 4910](#) is revised to incorporate OM Upd. No. 05-24, State Supplementation Standard Change, MS 99708, 7/1/05, and which changed the Personal Needs Allowance (PNA) for PCH residents to \$60. The PNA for Family Care Home (FCH)

residents remains at \$40. OM Upd. No. 05-24, MS 99708, is now obsolete. Further revisions to [MS 4910](#) include the incorporation of standards for 2006.

## Volume X

The [Table of Contents](#) is revised to delete the following as they are incorporated into the appropriate manual sections and are now obsolete: OM Pol. Upd. No. 01-13, MS 99561, 7/1/01; OM Pol. Upd. No. 02-01, MS 99572, 1/1/02; OM Upd. No. 03-35, MS 99644, 9/1/03; OM Upd. No. 03-41, MS 99651, 12/1/03; OM Upd. No. 04-10, MS 99663, 3/1/04; OM Upd. No. 04-10, MS 99664, 3/1/04; and OM Upd. No. 05-24, MS 99708, 7/1/05.

[OM Pol. Upd. No. 01-10, MS 99558, 6/1/01](#) is revised to remove the cross-references to Vol. IV, MS 3700 and MS 4360 as the material is now incorporated into the manual.

[OM Pol. Upd. No. 01-16, MS 99564, 8/1/01](#) is revised to remove the cross-references to Vol. IV, MS 2570, MS 2580, MS 2585, and MS 2590, as the material is now incorporated into the manual.

[OM Pol. Upd. No. 03-11, MS 99614, 3/1/03](#) is revised to remove the cross-reference to Vol. IV, MS 3850, as information is now incorporated into the manual.

[OM Pol. Upd. No. 03-16, MS 99621, 4/1/03](#), and its [Errata](#) are updated to remove the cross-reference to Vol. IV, MS 4300, as this policy does not apply to "E" or "T" cases.

[OM Pol. Upd. No. 04-09, MS 99661, 2/7/04](#) is revised to delete the cross-references to Vol. IV, MS 2070, MS 2810 and MS 2880 as these procedures are incorporated into these manual sections.

[OM Upd. No. 05-13, MS 99697, 3/7/05](#) is revised to remove the cross-reference to Vol. IV, MS 2810, as the material is now incorporated into the manual.

[OM Upd. No. 05-18, MS 99702, 5/1/05](#) is revised to remove the cross-references to Vol. IV, MS 3250, MS 3260, MS 4312, MS 4325 and 4345 as the material is now incorporated into the manual.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 267  
September 1, 2005

To: All Field Staff

Subject: Various Medicaid Revisions

Volume I

The [Table of Contents](#) is revised to delete MS 0418, KenPAC MAID Card, which is obsoleted with the incorporation of KYHealth card procedures. The Table of Contents is also revised to re-name MS 0352, as KYHealth Card and Managed Care Card and MS 0450 as KYHealth Card. The Table of Contents is further revised to rename MS 0456 "Non-Receipt of KYHealth Cards".

Manual sections 0097, 0352, 0419, 0450, 0456 and 0457 are revised to delete cross-references to OM Upd. No. 05-17, MS 99701, 5/1/05, and to incorporate procedures for the permanent, plastic KYHealth card, which replaces the former monthly MAID card. OM Upd. No. 05-17 is now obsolete.

[MS 0097](#) is further revised to delete cross-references to OM Pol. Upd. 02-20, MS 99591, 8/1/02; OM Pol. Upd. 02-30, MS 99601, 12/1/02; and OM Pol. Upd. 03-17, MS 99622, 5/1/03, as co-pay procedures are incorporated into this section. OM Pol. Upds. 02-20, 02-30 and 03-17 are now obsolete.

[MS 0352](#) is also revised to change the title to "KYHealth Card and Managed Care Card".

[MS 0418](#) is obsoleted with the implementation of the permanent KYHealth Card.

[MS 0419](#) is also revised for re-numbering and to delete references to the monthly KenPAC MAID card.

[MS 0450](#) is retitled "KYHealth Card". MS 0450 is further revised to delete the cross-reference to OM Pol. Upd. 03-20, MS 99627, 5/1/03, as Spend Down procedures are incorporated in this section.

[MS 0456](#) is retitled "Non-Receipt of KYHealth Cards".

[MS 0457](#) is also revised to delete references to the monthly MAID card and to update contact information for the Department for Medicaid Services (DMS).

Volume IV

The [Table of Contents](#) is revised to delete MS 4240, MAID, which is obsolete with incorporation of KYHealth card procedures. MS 2894, P7 Case Processing, is added. MS 1050, MS 2892 and MS 3050 are revised to delete cross-references to

OM Upd. 05-17, MS 99701, 5/1/05, and to incorporate procedures for the permanent, plastic KYHealth card, which replaces the former monthly MAID card. MS 1050 is further revised to delete cross-references to OM Upd. 05-21, MS 99705, 6/1/05, and OM Pol. Upd. 03-24, MS 99632, 7/1/03, as Medicare Part D prescription drug coverage and caretaker relative restrictions are incorporated in the definitions. OM Updates 03-24 and 05-21 are now obsolete.

[MS 1050](#) is also revised to remove the statement, "This amount may be decreased by loans" from the definition of Face Value (FV) of life insurance as the statement is incorrect.

[MS 2650](#) is revised to add the following states to the list of Interstate Compact on Adoption and Medical Assistance (ICAMA) states:

- District of Columbia;
- Florida;
- Michigan; and
- New Jersey.

[MS 2650](#) is also revised to delete the cross-references to OM Upd. 04-27, MS 99681, 11/1/04, and OM Upd. 05-05, MS 99689, 2/1/05 which listed states previously added to the ICAMA participation list. OM Upd. 04-27 and OM Upd. 05-05 are now obsolete.

[MS 2670](#) is revised to instruct field staff that eligibility determination for "U" children is the responsibility of Central Office. It is also revised to state that eligibility only exists in the "U" category if the child is not eligible in any other category of Medicaid. The child must have been hospitalized for over 30 days for eligibility to exist.

[MS 2892](#) is also revised to delete the cross-references to OM Pol. Upd. 02-15, MS 99586, 7/1/02, OM Pol. Upd. 03-39, MS 99648, 11/1/03, and OM Pol. Upd. 04-06, MS 99658, 1/1/04, as face-to-face application and co-pay requirements are incorporated into this section.

[MS 2894](#) is created to incorporate premium payment procedures issued via OM Upd. 03-39, MS 99648, 11/1/03 and OM Upd. 04-06, MS 99658, 1/1/04. OM Upd. 03-39 and OM Upd. 04-06 are now obsolete.

[MS 3130](#) is revised to state that a special category of assistance is available to children hospitalized in a psychiatric facility, Institute for Mental Diseases (IMD) or Psychiatric Residential Treatment Facility (PRTF), if not eligible under any other category of Medicaid and the child has been hospitalized for over 30 days. The cross-reference to OM Upd. No. 01-23, MS 99571, 12/1/01, is removed as it is now obsolete.

[MS 3990](#) is obsolete as Central Office has responsibility for the determination of eligibility for "U" cases.

[MS 4100](#) is revised to delete the cross-reference to OM Upd. 02-06, MS 99577, 5/1/02. The acronym "DSI" is changed to "DFS", and "AFDC-Related MA Recipients" is added to the list of individuals under age 21 eligible for EPSDT services.

[MS 4170](#) is revised to remove the cross-reference to OM Upd. 02-06, MS 99577, 5/1/02, and OM Upd. 04-28, MS 99682, 11/1/04, as they are incorporated into this manual section. The reference to "U Child" and "U Case" in item A.3 is removed. Item 4 is revised to state that eligible Medicaid recipients under age 21 can receive EPSDT LTC services with the exception of recipients of KCHIP3. Categories H, HP and KP are added to item 4. "DMS" is changed to "provider" in item E. A link is added to MS 2670 in item F.2. In item G.4 the reference to "U Case" is changed to "hospital". "Operations Support Branch" is changed to "Medical Support and Benefits Branch". OM Updates 02-06 and 04-28 are now obsolete.

[MS 4240](#) is obsolete as KenPAC MAID card procedures for dually eligible recipients are superseded by the implementation of the permanent, plastic KYHealth card.

#### Volume IVA

The [Table of Contents](#) is revised to delete MS 4520, QMB and MAID Cards, which is obsolete with the incorporation of KYHealth Card procedures.

[MS 1010](#), [MS 1280](#), [MS 1430](#) and [MS 4720](#) are revised to delete cross-references to OM Upd. 05-17, MS 99701, 5/1/05, and to incorporate procedures for the implementation of the permanent, plastic KYHealth card which replaces the monthly MAID card. OM Upd. 05-17 is now obsolete. MS 1010 is further revised to delete the cross-reference to OM Upd. 05-21, MS 99705, 6/1/05, as Medicare Part D prescription drug coverage is incorporated in the definitions.

[MS 1430](#) is also revised to state Spend Down applications cannot be approved on the PA-62 system.

[MS 1760](#) is revised to incorporate new standards effective July 1, 2005, and to remove the cross-reference to OM Upd. 05-23, MS 99707, 7/1/05, as it is now obsolete.

[MS 3710](#) is revised to update the address for the Health Services Administrative Hearings Branch.

[MS 4520](#) is deleted in its entirety as QMB and MAID card procedures are obsoleted by the implementation of the permanent, plastic KYHealth card.

[MS 4550](#) is revised to remove the statement that SLMB dual eligibility does not apply to SSP and Pass Through recipients. It is also revised to remove the statement concerning annotation of the MAID card.

[MS 4575](#) is revised to add SSP and Pass Through to SLMB dual eligible cases.

[MS 4720](#) is further revised to add determination of SSI eligibility for individuals in a managed care county that are exempt from managed care requirements. MS 4720 is also revised to include program codes F, G, H or Z as a basis for MA application upon discontinuance of SSI.

[MS 4770](#) and [MS 4820](#) are revised to include instructions for conversion recertifications to convert A, B or D Exparte cases on the PA-62 system to F, G, H, J, K, M, or Z cases on KAMES. MS 4770 and MS 4820 are also revised to delete the

cross-reference to OM Upd. 05-20, MS 99704, 6/1/05, as it is now incorporated into these manual sections.

## Volume VI

[MS 4340](#) is revised to remove the cross-reference to OM Upd. 05-20, MS 99704, 6/1/05, as it is not applicable.

## Volume X

The [Table of Contents](#) is revised to delete the following OM Updates as they are now obsolete due to being incorporated into the Operations Manual: 01-23, MS 99571, 12/1/01; 02-06, MS 99577, 5/1/02; 02-20, MS 99591, 8/1/02; 02-30, MS 99601, 12/1/02; 03-17, MS 99622, 5/1/03; 03-39, MS 99648, 11/1/03; 04-06, MS 99658, 1/1/04; 04-27, MS 99681, 11/1/04; 04-28, MS 99682, 11/1/04; 05-05, MS 99689, 2/1/05; 05-17, MS 99701, 5/1/05; 05-20, MS 99704, 6/1/05; and 05-23, MS 99707, 7/1/05.

The following OM Updates are now obsolete as they are incorporated into the Operations Manual: 01-23, MS 99571, 12/1/01; 02-06, MS 99577, 5/1/02; 02-20, MS 99591, 8/1/02; 02-30, MS 99601, 12/1/02; 03-17, MS 99622, 5/1/03; 03-39, MS 99648, 11/1/03; 04-06, MS 99658, 1/1/04; 04-27, MS 99681, 11/1/04; 04-28, MS 99682, 11/1/04; 05-05, MS 99689, 2/1/05; 05-17, MS 99701, 5/1/05; 05-20, MS 99704, 6/1/05; and 05-23, MS 99707, 7/1/05.

[OM Pol. Upd. 02-15, MS 99586, 7/1/02](#), is revised to delete the cross-reference to Vol. IV, Page 2892, MS 2892 as face-to-face application procedures are incorporated into the manual.

[OM Upd. 03-20, MS 99627, 5/1/03](#), is revised to delete the cross-reference to Vol. I, Page 0450-0456, MS 0450 as Spend Down procedures for the KYHealth card are incorporated into the manual.

[OM Upd. 03-24, MS 99632, 7/1/03](#) is revised to delete the cross-reference to Vol. IV, Page 1050, MS 1050 as caretaker/specified relative restrictions are incorporated into the definitions.

[OM Upd. 05-21, MS 99705, 6/1/05](#) is revised to remove the cross-references to Vol. IV, MS 1050 and Vol. IVA, MS 1010 as Medicare Part D prescription drug coverage is incorporated into the Medicare Program definitions.

Tom Emberton, Jr., Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 266  
August 1, 2005

To: All Field Staff

Subject: Various Revisions - Volumes I, II, IIA, and X

Volume I

The [Table of Contents](#) is revised to change the title of MS 0108 to Civil Rights Disabled Individuals, and to add MS 0112, Limited English Proficiency (LEP) Requirements, and MS 0115, Providing LEP Services.

In addition, the Table of Contents is revised to remove manual sections 1567, 1578, and 1579 as they are already obsolete.

[MS 0108](#) is revised to delete information on providing interpreter services to non-English speaking individuals. This information is now in [MS 0112](#) and [MS 0115](#).

[MS 0112](#) is created to include policy concerning the requirements for providing services to LEP individuals. The LEP requirements are mandated by the Civil Rights Act of 1964 and Executive Order 13166 of August 2000 and affect all federally funded programs and services. This includes the programs administered by our Cabinet - K-TAP, Medical Assistance, Food Stamp and any other program funded by the Temporary Assistance for Needy Families (TANF) block grant. These requirements not only apply to all Cabinet staff but to any contracted vendors used by the Cabinet to provide services.

The Cabinet must ensure that all LEP individuals have meaningful access to all programs. Providing meaningful access includes:

- Providing translated copies of essential forms and informational materials;
- Identifying LEP individuals and their language needs;
- Providing language assistance, interpreter services, at no cost to the individual; and
- Informing LEP individuals that interpreter services are available at no cost to the individual and how to access these services.

[MS 0115](#) is created to include the procedures used to meet LEP requirements and provide LEP services. The information includes what LEP services are available, how to access them, and how to pay for them.



[MS 0506](#) is revised to reflect the appropriate individuals to receive the electronic form PAFS-343.1. [MS 0506](#) is further revised to reflect the appropriate individuals to receive a request for "exception" to a QC error.

[MS 1587](#) is revised to provide procedures on how to handle claims that have been established in Kentucky and the household has moved out-of-state. If a food stamp (FS) household has moved out-of-state and the Department is contacted by the new state regarding a claim, send all relevant claim information, including any current or past disqualifications to that state and remove the claim from the claims system. The other state will establish the claim.

[MS 1660](#) is revised to remove the portion that references sending a food stamp recipient form PAFS-2, Application Letter or Notice of Expiration, to meet with the Office of Attorney General in regard to trafficking activities. [MS 1660](#) is also revised to remove the statement "if the recipient does not keep the appointment, discontinue the case for non-cooperation". We have received a Food and Nutrition Services (FNS) clarification which states that form PAFS-2 may not be issued as an attempt to require an individual to meet with or supply information to a fraud investigator. Threatening to terminate the individual/household for failure to respond to a PAFS-2, when the response involves communicating with a fraud investigator, circumvents the right to remain silent. The food stamp case cannot be discontinued. It is further revised to correct the name of the Claims Section to Claims Management Section.

[MS 1915](#) is revised to:

- Change the title "Procedures for Safeguarding IRS" to "Procedures for Safeguarding IRS Information - Batch Match";
- Add Procedures for Safeguarding BENDEX information. BENDEX screens are NOT to be printed or placed in the case records. Document in the case comments that the income amount was verified by inquiry on mo/day/year.
- Give instructions on purging all BENDEX files, IEVS, and any other information obtained from the IRS. In addition, purge any KASES screens that contain IRS data that was printed before 8/26/04.
- Revise the Cabinet name.
- Add instructions to lock terminals when not in use and sign off terminals when leaving for the day.

## Volume II

[MS 2915](#) is revised to state that the SAVE process must be completed within 30 days of the initial application. This revision was made as a result of an FNS clarification.

[MS 2915](#) is also revised to state that SAVE is accessed via a web-site versus via phone.

[MS 3175](#) is revised to remove the reference to interest income as this is now excluded.

[MS 5210](#) is revised to delete the cross-reference to OM Update No. 04-08, MS 99660, 2/1/04, as this is already included in the policy. [MS 5210](#) is also revised to:

- Delete the cross-reference to OM Update No. 05-01, MS 99685, 1/1/05 and OM Update No. 05-15, MS 99699, 4/1/05, as these changes are incorporated into this manual section.
- Incorporate OM Update No. 05-01, MS 99685, 1/1/05, which states attendant care and child care payments are no longer considered excluded vendor payment if the provider is a member in the FS household and must now be considered earned income.
- Incorporate OM Policy Update No. 05-15, MS 99699, 4/1/05, which states that any income received from an AMERICORP program is excluded. Some of the programs are VISTA, Foster Grandparents, and RSVP. The recipient of this income is no longer required to have received food stamp benefits before excluding this income.
- Clarify that income received from the YouthBuild program is excluded if paid to a household member age 18 and under. It is further revised to state YouthBuild and OJT income for members age 19-24 is countable.
- State that attendant care and child care payments provided to another FS household member from his/her own pocket and not from monies from an outside source are considered excluded income to the FS member receiving the money.
- Update the amount of payments given to KWP participants. There are 3 levels of payment for monthly expenses based on the scheduled participation:
  1. Catchall - 1 to 3 days per month = \$9
  2. Part-time - 4 to 16 days per month = \$35
  3. Full-time - 17 or more days per month = \$60
- Add that payments made to a child of a Vietnam Veteran who suffers from disabilities resulting from spina bifida are excluded.
- Add a provision to exclude additional pay received by military personnel, under the Consolidated Appropriations Act of 2005, while deployed to a combat zone when determining eligibility for food stamp benefits.
- Add that interest and dividends are excluded.

[MS 5210](#) is further revised to clarify that any recouped portion of SSI income is excluded.

[MS 5220](#) is revised as the result of an FNS clarification to clarify that income received from OJT earnings from the YouthBuild program, if paid to a member age 19-24, is countable income. [MS 5220](#) is also revised to:

- Incorporate OM Update No. 05-01, MS 99685, 1/1/05, which states that Attendant Care and Child Care payments provided by an outside source are to be treated as earned income if the person providing the care is a FS household member.
- Add back instructions on consideration of capital gains income derived from self-employment as this was erroneously removed with OMTL #253 effective 8/1/03.
- To remove a reference to the treatment of sick pay as it was listed twice in this manual section.
- Add at the request of field staff that cafeteria plans that involve money owed to the recipient are countable income.
- Remove the reference to a portion of reimbursements being considered as Countable Income. This was changed with OMTL #250, effective 4/1/03, due to changes in the Farm Bill. This section was erroneously left in.
- Reclarify that VISTA income is considered countable, unless the member was receiving food stamps or public assistance at the time the member joined the program. This revision is due to a recent FNS clarification that reversed their previous clarification that all of this income was excluded due to being under the AMERICORP program. As a result of FNS's reclarification, OM Upd. No. 05-15, MS 99699, 04/01/05 is rescinded.
- Rearrange material concerning Title I and Title II programs for better access.
- Remove the references to dividends as they are now excluded.

[MS 5490](#) is revised due to an FNS clarification to state that residents in public housing only have to anticipate to incur excess charges for heating and cooling in order to be eligible for the SUA; they do not have to INCUR a cost first.

[MS 6400](#) is revised as a result of a FNS clarification to state that during 30/60-day application processing, if during the extended 30-day period a household provides the necessary verification to process the case, the household can be certified for benefits even if it is not the information that was originally requested. (An example has been added for this.)

[MS 6400](#), [6500](#) and [6740](#) are revised to incorporate OM Upd. No. 05-13, MS 99697A (Addendum), 3/7/05, which states that Food Stamp applications, recertifications and member-adds that pend for mandatory supervisory approval can no longer be signed off on "over-the-shoulder".

[MS 5550](#) is revised at the request of FNS to specify that in-kind income is also considered unpaid.

[MS 3050](#) is revised to reflect the changes in active ABAWD counties.

[MS 5600](#) is revised at the request of field staff to remove the reference to Simplified Reporting (SR) in regard to the 20 hours work requirement. It is also revised to add a reminder that all work registered members must still be correctly target coded.

[MS 5650](#) is revised to reflect a new ABAWD tracking code for counties whose members are being included in a 15% exemption.

## Volume X

The Table of Contents is revised to delete the following policy updates as they are incorporated into Volume II: OM Upd. No. 04-08, MS 99660, 1/1/04; OM Upd. No. 05-01, MS 99685, 1/1/05; OM Upd. No. 05-11, MS 99695, 3/1/05; and OM Upd. No. 05-13, MS 99697A (Addendum), 3/7/05. The Table of Contents is also revised to delete OM Upd. No. 05-15, MS 99699, 4/1/05, as this is already included in policy.

OM Upd. No. 04-08, MS 99660, 1/1/04, and OM Upd. No. 05-01, MS 99685, 1/1/05, are now obsolete as they are incorporated into MS 5210.

OM Upd. No. 05-11, MS 99695, 3/1/05, is obsoleted as it is incorporated into MS 5210.

OM Upd. No. 05-13, MS 99697A (Addendum), 3/7/05, is now obsolete as it is incorporated into MS 6400, MS 6500 and MS 6740.

OM Upd. No. 05-15, MS 99699, 4/1/05, is now obsolete as FNS reclarified how to consider VISTA income.

Tom Emberton, Jr. Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Errata To:  
Operation Manual  
Transmittal Letter No. 266  
August 1, 2005

To: All Field Staff

Subject: Various Revisions

Volume II

[MS 5220](#) is further revised to remove interest payments as countable income.

[MS 5650](#), which was omitted from OMTL #266, is revised to delete budgeting interest income.

Tom Emberton, Jr., Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 265  
June 1, 2005

To: All Field Staff

Subject: Volume III Child Support Penalty

[Volume III](#)

A recent legal opinion from the Office of General Counsel now indicates non-responsible relatives not included in a K-TAP or Kinship Care case can be penalized for non-cooperation with child support activity.

[MS 3080](#) is revised to state that if a non-responsible relative not included in the K-TAP or Kinship Care case fails to cooperate with child support activity without good cause, the 25% penalty is applied. On KAMES, the penalty is applied to a member on the K-TAP or Kinship Care grant.

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 264  
May 1, 2005

To: All Field Staff

Subject: Adult Medicaid Revisions

Volume IVA

The [Table of Contents](#) is revised to remove MS 1520 which was obsoleted on OMTL-229; MS 1730, obtaining medical information as it was obsoleted; MS 1740, sending medical information to MRT as it was obsoleted; MS 2020 on trusts as it was obsoleted; MS 3030, PCA Eligibility Determinations, as this program no longer exists; MS 3040, HW Eligibility Determination, as this program is obsoleted; MS 3750, Collections Branch Responsibilities, as this is now the responsibility of DMS; MS 5030, Personal Care Homes is obsoleted; and MS 5040, Family Care Homes is obsoleted and Caretaker Services is also obsoleted. The following sections are new sections and are added to the Table of Contents: MS 1055, CO-PAYMENTS, MS 1435, Special Circumstance Processing; MS 1975, Recognition of Homestead Resources After Six Months of Institutionalization; MS 2135, Community Spouse Resource Allowance Calculation; MS 3505, Qualifying Income Trust (QIT); MS 5070, Temporary Stay in a Medical Institution for Non-SSI Recipients; MS 5145, Elder Shelter Networks; and MS 5235, Return of SSP checks.

[MS 1010](#) is revised to delete the cross-references to OM Upd. No. 04-10, MS 99662, 3/01/04, and OM Upd. No. 04-22, MS 99676, 7/1/04. The definitions for COMMUNITY SPOUSE are revised to replace the reference to AIS/MR with SCL. The definition of FACE VALUE (FV) OF LIFE INSURANCE is revised to remove the statement, "This amount may be decreased by loans" as this is incorrect. The definition of HOME is revised to remove the statement "and exclude as a resource". The definition of "home" is also revised to state that only one house may be designated as the homestead property when there is more than one house on the property. The definition of INCREASED PERSONAL NEEDS ALLOWANCE is revised to remove "or who receive veterans pensions". The definition of INSTITUTIONALIZED SPOUSE is revised to remove reference to AIS/MR and replace with SCL. The definition of MAID CARD is revised to remove "monthly" from the description. Medicaid (MA) is revised to change "DSI" to "DCBS". The definitions for MODEL WAIVER I are deleted as this program no longer exists. Personal Needs Allowance is revised to change "AIS/MR" to "SCL". The definition of QUALIFYING INCOME TRUST is added by the incorporation of OM Upd. No. 03-30, MS 99639, 9/01/03, which established this procedure as a method for individuals in LTC with income in excess of the Special Income Standard to qualify for Medicaid. OM Update No. 04-10, MS 99662, 3/1/04; OM Update 03-30, MS 99639, 9/1/03 and the Addendum to OM Update No. 03-30, MS 99639, 9/1/03 are obsoleted.

[MS 1015](#) is revised to remove obsoleted abbreviations and to add new ones.

[MS 1030](#) and [MS 1040](#) are revised to delete the cross-reference to OM Upd. No. 03-01, MS 99602, 1/01/03, and to remove QI2 as this program no longer exists.

[MS 1055](#), Co-Payments, is created to incorporate OM Pol. Upd. No. 02-20, MS 99591, 8/1/02, which provides information regarding co-payments for prescriptions and for certain services rendered by the following providers:

- Dentists,
- Optometrists,
- Opticians,
- Audiologists,
- Hearing Aid Dealers, and
- Podiatrists
- Chiropractors

Co-payments are also required for general ophthalmologic services provided by physicians, advanced registered nurse practitioners (ARNP), rural health clinics and primary care centers.

[MS 1210](#) is revised to remove the reference in item A to "SNF" and "ICF" to be replaced by "NF". There is only one level of care for nursing facility residents in medical assistance eligibility determinations.

[MS 1250](#) is revised to replace the reference to "form PA-105 or MA-105" with "KAMES-generated notice".

[MS 1280](#), Item D1 is revised to add "in counties issued paper MAID cards each month, otherwise a KYHealth card is issued", and to remove the cross-reference to OM Upd. No. 04-22, MS 99676, 7/1/04.

[MS 1290](#) is revised to change the reference from "Field Services Supervisor" to "Family Support Supervisor" and "the Division of Member and Provider Services" to "the Division of Medical Management and Quality Assurance" and to correct the address.

[MS 1300](#) is revised to change "the Division of Member and Provider Services" to "the Division of Medical Management and Quality Assurance" and to correct the address. Additionally, the reference to e-mail Debbie Smither is deleted.

[MS 1330](#) is revised to change "the Division of Member and Provider Services" to "the Division of Medical Management and Quality Assurance", and to add their addresses.

[MS 1350](#) is revised to incorporate OM Pol. Upd. No. 03-41, MS 99651, 12/1/03 into the manual. This section clarifies that withdrawals must be made from IRA's once recipients reach the age of 59 ½, if the funds are available. Failure to comply results in technical ineligibility for Medicaid.

[MS 1353](#), items C and D are revised as RSDI and Black Lung benefits no longer continue to age 22. Unmarried children to age 18, or up to age 19 if attending high school full time. If the child is a high school graduate benefits end at age 18 or the month of graduation, whichever comes last. The spouse under age 60 with a dependent child under age 16 may be entitled to receive RSDI. MS 1353 is also revised to add the term "Medicare" to item H.



[MS 1370](#) is revised to incorporate OM Upd. No. 03-18, MS 99623, 5/01/03. The Interested Party Authorization (MAP-14) procedures and a reference to Vol. I, MS 0095 and MS 0096, is added.

[MS 1420](#) is revised to remove the instructions to obtain brief directions to the applicant's home and include these on form PAFS-116 in the case record. Also wording in item B is revised for clarity.

[MS 1430](#) is revised to correct the contact for Provider Services, and to remove the cross-reference to OM Upd. No. 04-22, MS 99676, 7/1/04.

[MS 1435](#), Special Circumstance Processing, is created to incorporate OM Upd. No. 04-09, MS 99661, 2/1/04.

[MS 1480](#) is revised to add the recertification requirements for QI1 cases and to replace "AIS/MR" with "SCL". It is also revised to clarify that certification periods begin with the application month for approvals and program transfers and to remove the cross-reference to OM Upd. No. 04-26, MS 99680, 11/1/04.

[MS 1500](#) is revised to remove the instructions in Item D.1 stating that the worker must send form PAFS-2 for a telephone recertification interview.

[MS 1530](#) is revised to correct wording on Item B.2 and to include IRA distributions under Item C., 5095.3.

[MS 1540](#) is revised to correct the mailing address for OIG.

[MS 1570](#) is revised to add a link to MS 1580.

[MS 1580](#) is revised to delete the cross-reference to OM Upd. No. 02-25, MS 99596, 9/01/02, which is incorporated to define eligibility criteria for individuals residing in the state on a temporary basis and eligibility for non-qualified aliens.

[MS 1610](#) is revised to remove "PARB" and replace it with "MSBB".

[MS 1670](#) and [MS 1680](#) are revised to reflect the agency name change from "the Department for Social Insurance (DSI)" to "the Department for Community Based Services (DCBS)", and the Cabinet name change from the "Cabinet for Families and Children" to the "Cabinet for Health and Family Services".

[MS 1710](#) is revised to delete the cross-reference to OM Upd. No 01-16, MS 99564, 8/1/01, which is incorporated.

[MS 1720](#), [MS 4662](#) and [MS 4960](#) are revised to incorporate OM Upd. No. 01-16, MS 99564, 8/01/01. This update changed the procedure for submitting MRT determinations effective August 1, 2001. Form PA-601 was obsoleted and replaced by form PA-601T, Referral for Determination of Incapacity or Disability, with signed/witnessed PAFS-15 (with a revision date of 5/01 or after) forms, Authorization for Information/Release of Information.

MS 1730 and MS 1740 are obsoleted as medical records and information are now obtained by MRT rather than the Family Support Specialist.

[MS 1760](#) is revised to incorporate the new standards from OM Upd. No. 04-21, MS 99675, 7/1/04; OM Upd. No. 05-02, MS 99686, 1/1/05. The cross-references to OM Upd. No. 03-22, MS 99629, 6/1/03; OM Upd. No. 03-22, MS 99630, 6/1/03; and the Addendum to: OM Upd. No. 03-22, MS 99630, 6/1/03 are removed as these are now obsolete. OM Update No. 04-21, MS 99675, 7/1/04, is also obsolete.

[MS 1870](#) is revised to incorporate OM Upd. No. 04-10, MS 99663, 3/1/04. This update changed the required resource verification at renewal from three months to one month effective June 18, 2001.

[MS 1880](#) is revised to incorporate OM Upd. No. 03-32, MS 99641, 9/1/03, and OM Upd. No. 03-36, MS 99645, 9/1/03. MS 1880 is also revised to delete the cross-reference to the Addendum to OM Update No. 03-36, MS 99645A, 9/1/03, as it is obsoleted and to delete the cross-reference to OM Update No. 03-41, MS 99651, 12/1/03. A reference to consideration of homestead property after six months of institutionalization is added with a link to the new MS 1975. The reference to HCBS Model II Waiver is removed as this program no longer exists. MS 1880 is further revised to incorporate OM Upd. No. 04-12, MS 99666, 5/1/04 which outlined procedures for ongoing attempts to sell real property at Fair Market Value and criteria for excluding the property in eligibility determinations. OM Upd. No. 04-12, MS 99666, 5/1/04 is obsolete. MS 1880, items D and E are revised for clarity in consideration of a vehicle for farming or self-employment. MS 1880, item T is revised to remove items C(1) and C(2) at the request of DMS.

[MS 1890](#) and [MS 2220](#) are revised to incorporate OM Upd. No. 03-35, MS 99644, 9/1/03, into the manual and to remove material no longer needed. DMS is reviewing all annuities and this section addresses procedures to follow. This is added to Vol. IVA, MS 1890, Review of Annuities. MS 1890 is also revised and a new procedure and explanation of form MAP-4104, Annuity Transmittal, is added. The cross-references to OM Upd. No. 03-24, MS 99633, 7/1/03, and OM Upd. No. 03-35, MS 99644, 9/1/03 are removed. OM Pol. Upd. No. 03-24, MS 99633, 7/1/03 is obsolete.

[MS 1900](#) is revised to remove the word "annuity" from the title.

[MS 1910](#) is revised to replace the acronym "ESB" with "MSBB" and to spell out "Face Value" and "Cash Surrender Value". Reference to form PA-17 is deleted as this form is obsolete. Form PA-17 is replaced by form MA-36, which is revised to change the reference from form PAFS-15 to CFS-1 as form PAFS-15 is obsolete. MS 1910 is also revised to remove an example for a prearranged funeral contract.

[MS 1940](#), [MS 2050](#), and [MS 2160](#) are revised to delete references to HCBS Model 1 Waiver as this program no longer exists. MS 1940 is also revised to add wording to clarify that a jointly held resource is unavailable if party or parties other than the applicant/recipient or applicant's/recipient's spouse is unwilling to release their portion of the resource.

[MS 1970](#) is revised to change form PAFS-15 to CFS-1. It is also revised to correct wording in Item B.8 and the example.

[MS 1975](#), RECOGNITION OF HOMESTEAD RESOURCES AFTER SIX MONTHS OF INSTITUTIONALIZATION, is created to incorporate OM Upd. No. 03-36 and the Addendum to OM Upd. No. 03-36, MS 99645, 9/1/03, which outlines procedures for homestead property once an individual has been institutionalized for six months. OM

Upd. No. 03-36, MS 99685, 9/1/03, and the Addendum to OM Upd. No. 03-36 are now obsolete.

[MS 1980](#) and [MS 2050](#) are revised to incorporate a reference to [MS 1975](#) regarding the recognition of homestead property after 6 months of institutionalization outlined in OM Upd. No. 03-36, MS 99645, 9/1/03, and the Addendum to OM Upd. No. 03-36, MS 99645, 9/1/03, as these sections are now obsolete. MS 1980 is also revised to correct numbering and formatting. MS 1980 is further revised to add an example of non-homestead property and instructions for entering the property's value on KAMES.

[MS 2010](#), TRUSTS ESTABLISHED AFTER 8/10/93, is renamed "TRUSTS" and all manual material pertaining to the consideration of trusts is removed. Instructions to forward trusts to the Department for Medicaid Services are added.

MS 2020, TRUSTS ESTABLISHED ON OR BEFORE 8/10/93, is deleted in its entirety.

[MS 2050](#) is further revised to remove the cross-reference to OM Upd. No. 03-32, MS 99641, 9/1/03 as this has been incorporated and is now obsolete.

[MS 2070](#) and [MS 2080](#) are revised to incorporate OM Upd. No. 03-32, MS 99641, 9/1/03, as an individual cannot without penalty transfer homestead property to anyone except those listed in this manual section. Also, individuals can no longer add other individuals to the homestead deed. This policy does not apply to transfers made prior to 9/1/03.

[MS 2070](#) is also revised to incorporate OM Pol. Upd. No. 02-22, MS 99593, 8/1/02, which obsoleted the transfer of resources provision allowing recipients to pay for schooling costs or health care for family members, and to incorporate OM Pol. Upd. No. 03-28, MS 99637, 8/1/03, which clarified that the Department for Medicaid Services (DMS) is responsible for making determinations on homesteads placed in trusts. OM Pol. Upd. Nos. 02-22 and 03-28 are now obsolete.

[MS 2080](#) is also revised to correct all examples for determining a transfer of resources as policy has been applied incorrectly. To determine a transfer penalty, divide the remainder after determining the uncompensated equity value by the transfer of resource factor. MS 2080 is further revised to add a link to MS 2130.

[MS 2110](#) is revised to incorporate changes in determining if currently active SSI individuals applying for or receiving LTC or HCBS services are identified as transferring resources. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05 is deleted.

[MS 2120](#) and [MS 2130](#) are revised to incorporate OM Upd. No. 03-22, MS 99629, 6/1/03 and the Addendum to: OM Upd. No. 03-22, MS 99630, 6/1/03, concerning determination of Community Spouse resource allowance for cases processed on or after 6/1/03.

[MS 2135](#), Community Spouse Resource Calculation, is created to incorporate OM Upd. No. 03-22, MS 99630, 6/1/03 and OM Upd. No. 05-02, MS 99686, 1/1/05. Delete the cross-reference to OM Update No. 03-22, MS 99630, 6/1/03 and OM Update No. 05-02, MS 99686, 1/1/05.

[MS 2140](#) is revised to remove the cross-references to OM Upd. No. 03-22, MS 99629, 6/1/03, and the Addendum to: OM Upd. No. 03-22, MS 99630, 6/1/03, which are now obsolete.

[MS 2160](#) is also revised to correct the Cabinet's name and the addresses of various divisions.

[MS 2180](#) is revised to remove interest income on checking or savings accounts.

[MS 2190](#) is revised to replace "AIS/MR" with "SCL".

[MS 2220](#) is also revised to delete the cross-reference to OM Upd. No. 03-35, MS 99644, 9/1/03.

[MS 2300](#) is revised to correct the address for submission of Trusts for review by DMS and to clarify how DMS determines consideration of a Trust.

[MS 2320](#) is revised to incorporate OM Upd. No. 04-29, MS 99683, 12/1/04, Adult Medicaid Income Changes, which stated that interest income is excluded for Medicaid eligibility and LTC vendor payment determinations, and that \$60 per quarter of infrequent/irregular unearned income is excluded. OM Upd. No. 04-29, MS 99683, 12/1/04, is now obsolete. MS 2320 is also revised to include income from IRA's and to delete the cross-reference to OM Upd. No. 04-10, MS 99664, 3/1/04 as this was referenced in error.

[MS 2340](#) is revised to delete the cross-reference to OM Upd. No. 04-10, MS 99664, 3/1/04.

[MS 2360](#) is revised to replace "ESB" with "MSBB" and to replace "AIS/MR" with "SCL". MS 2360 is also revised to remove the reference to HCBS Model Waiver 1 as this program no longer exists.

[MS 2420](#) is revised to incorporate OM Upd. No. 04-29, MS 99683, 12/1/04, Adult Medicaid Income Changes, which stated that \$30 per quarter of infrequent/irregular earned income is excluded. OM Upd. No. 04-29, MS 99683, 12/1/04, is now obsolete.

[MS 2465](#) is revised to replace "AIS/MR" with "SCL" and remove the reference to HCBS Model Waiver 1 as this program no longer exists.

[MS 2470](#) is revised to incorporate OM Upd. No. 02-21, MS 99592, 8/1/02 and to show that Veterans Administration (VA) reduced pensions of \$90 or less is excluded income. The first \$90 of all other VA pensions is excluded income. MS 2470 is also revised to incorporate OM Pol. Upd. No. 02-10, MS 99581, 6/1/02. This eliminates the Home Maintenance Accounts and instructs when the accounts are to be exhausted and the way to consider any remaining funds after six months. MS 2470 is further revised to incorporate OM Upd. No. 03-11, MS 99614, 3/1/03 and to delete the cross-reference. This is exclusion for benefits given to natural children of Vietnam veterans who served during the Vietnam era who receive benefits based on Section 401 of the Veterans Benefits and Health Care Improvement Act of 2000. Additionally, [MS 2470](#) is revised to incorporate OM Upd. No. 04-29, MS 99683, 12/1/04, Adult Medicaid Income Changes, which stated that infrequent and irregular income is now excluded in the amounts of \$60 per quarter unearned and \$30 per quarter earned income. This update also stated that exclusions now apply to income

from interest and dividends, and to the earnings of a blind or disabled child in regular school attendance. OM Upd. No. 02-10, MS 99581, 6/1/02; OM Update No. 02-21, MS 99592, 8/1/02; and OM Update No. 04-29, MS 99683, 12/1/04, are now obsolete. MS 2470, item E is also revised for clarity.

[MS 2520](#) is revised for clarity and to replace “ESB” with “MSBB”.

[MS 2530](#) is revised to replace “ESB” with “MSBB”.

[MS 2740](#), [MS 4500](#) and [MS 4595](#) are revised to delete cross-references to OM Upd. No. 04-09 MS 99661, 2/1/04. MS 2740 is also revised to incorporate OM Pol. Upd. 03-20, MS 99627, 5/1/03, which incorporated various system modifications and obsoleted form PA-8, MA Spend Down Letter, and procedural instructions.

[MS 2800](#) is revised to change the “C” in Community from lower case to upper case.

[MS 2810](#) and [MS 3180](#) are revised to change “AIS/MR” to “SCL”.

[MS 2820](#) is revised to update notices mentioned. MS 2820 is also revised to change the Supports for Community Living (SCL) application approval process. Cross-references to OM Upd. No. 04-13, MS 99667, 5/1/04, and OM Upd. No. 05-06, MS 99690, 2/1/05, are deleted. OM Update No. 04-13, MS 99667, 5/1/04 is obsolete.

[MS 2860](#) is revised to remove the cross-reference to OM Upd. No. 03-22, MS 99630, 6/1/03, as it is now obsolete. MS 2860 is also revised to link the reference to MS 3550 for determination of community spouse allowance criteria. MS 2860 is further revised to change all references from “AIS/MR” to “SCL” including the title.

[MS 2890](#) is revised to delete the cross-references to OM Upd. No. 04-13, MS 99667, 5/1/04, and OM Upd. No. 05-06, MS 99690, 2/1/05. OM Update No. 04-13, MS 99667, 5/1/04 is obsolete. MS 2890 is also revised to update the correct forms needed for case approval and case changes.

[MS 2895](#) is revised to change “DMS Letter of Approval” to “MH/MR Letter of Approval”.

[MS 2910](#) and [MS 2920](#) are revised to update the forms needed for HCBS case approval/change. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 2940](#), [MS 2950](#), [MS 2960](#), [MS 2970](#), [MS 2980](#), [MS 3015](#), [MS 3017](#), [MS 3020](#), [MS 3025](#), [MS 3210](#), [MS 3220](#), [MS 3230](#), [MS 3240](#), [MS 3530](#), [MS 3540](#), and [MS 3550](#) are revised to remove the procedures for what was known as Step II Processing or “exceptional spend down” for those individuals who are over the Special Income Standard. The phrase, “refer to MS 3050” is added to the Step I portion of each of these manual sections to link to MS 3505 for information about Qualifying Income Trusts (QIT) for those individuals over the Special Income Standard. The manual sections named above are further revised to change the order due to the deletion of the former Step II portions of those manual sections.

Manual Sections [2940](#), [2950](#), [2960](#), [2970](#), [2980](#), [3015](#), [3017](#), [3020](#), [3025](#), [3210](#), [3220](#), [3230](#), [3240](#), [3530](#), [3540](#) and [3550](#) are also revised to delete the cross-reference to OM Upd. No. 03-30, MS 99639, 9/1/03, and the Addendum to OM Upd. No. 03-30, MS 99639, 9/1/03, as both are now obsolete.

[MS 2960](#), [MS 3017](#) and [MS 3230](#) are further revised to remove the cross-reference to OM Upd. No. 03-22, MS 99630, 6/1/03 as it is now obsolete.

[MS 2970](#), items B.1, D and D.3 are revised for clarity.

[MS 2990](#) is revised to update forms necessary for case action on applicants/recipients with vendor payments. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3000](#) is revised to remove the statement that AB1 cases are maintained on the PA-62 system.

[MS 3010](#) is revised to remove the statement concerning costs of care and to change processing time from 15 to 30 days.

[MS 3025](#) is revised to add AFDC-Related MA to item C.

MS 3030, PCA Eligibility Determination, is removed in its entirety. The PCA (Personal Care Assistance) program ended effective April 1, 2003.

MS 3040 is obsoleted by the incorporation of OM Update 03-34, MS 99643, 9/1/03, which announced the termination of that program. OM Update 03-34 is now obsolete.

[MS 3060](#) is revised to reflect the hospice rates effective January 1, 2004. It is also revised to remove the phrase "and the exceptional spend down for an institutionalized Hospice recipient" as exceptional spend downs have been eliminated for that assistance group. MS 3060 is also revised to delete the cross-references to OM Upd. No. 04-07, MS 99659, 1/1/04, and OM Upd. No. 04-09, MS 99611, 2/1/04. OM Update No. 04-07, MS 99659, 1/1/04 is obsolete.

[MS 3100](#) and [MS 3180](#) are revised to change "AIS/MR" to "SCL".

[MS 3150](#) is revised to delete the cross-reference to OM Upd. No. 03-22, MS 99630, 6/1/03, as it is now obsolete. MS 3150 is also revised to add a link/reference to MS 3550 for determination of community spouse income allowance.

[MS 3170](#) is revised to remove the reference to form PA-1A as these cases are carried on KAMES.

[MS 3260](#) is revised to change "K-TAP" to "PA-62".

[MS 3300](#) is revised to remove the reference to the "Department for Social Insurance" and to add the reference to special income standard and QIT.

[MS 3350](#) is revised to change form number from "PA5.1" to "PAFS 5.1" and to incorporate changes in processing LTC approvals for SSI recipients. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3360](#) is revised to incorporate changes in processing LTC approvals for non-SSI recipients. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.



[MS 3370](#) is revised to incorporate changes in processing approvals for an individual not currently covered by MA. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3380](#) is revised to incorporate changes in processing applications for non-SSI LTC individuals who do not meet patient status but remain MA eligible in the aged, blind or disabled MA category. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3390](#) is revised to better explain steps to take for QMB only individual admitted to LTC.

[MS 3410](#) is revised to incorporate changes in processing approvals for SSI recipients entering LTC. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3460](#) is revised to incorporate OM Upd. No. 02-21, MS 99592, 8/1/02, and to change the title to "Countable Income for Patient Liability Determination" in order to differentiate it from other manual sections dealing with income countable for MA eligibility determination. MS 3460, item B, is revised to explain that the first \$90 of VA pension is excluded income. The example for MS 3460, item B.1 is revised to explain consideration of a retroactive lump sum payment for VA pension. MS 3460, item D is revised to correct a referral to MS 2465 rather than to MS 3810. MS 3460, item H.1 is revised to change the cabinet name to "Cabinet for Health and Family Services". MS 3460, item I, is revised to state that only interest that is paid directly to an individual is considered income. MS 3460, item I is also revised to delete the statement regarding interest income on payments from the Nazi Persecution Victims Eligibility Benefits Act (P.L. 103 286). MS 3460 is further revised to delete the cross-reference to OM Upd. No. 02-21, MS 99592, 8/1/02, as it is now obsolete. Additionally, MS 3460 is revised to incorporate OM Upd. No. 04-29, MS 99683, 12/1/04, Adult Medicaid Income Changes, which stated that interest and dividend income is excluded for both Medicaid Eligibility and LTC vendor payment determinations, as it is now obsolete.

[MS 3470](#) is revised to incorporate OM Upd. No. 02-21, MS 99592, 8/1/02 and to add "For LTC/Waiver" to the title, "Excluded Income", to differentiate it from MS 2470 which is titled, "Excluded Income". It is also revised to add that the first \$90 of VA pensions and VA reduced pensions of \$90 or less are excluded income. MS 3470 is further revised to delete the cross-reference to OM Upd. No. 02-21, MS 99592, 8/1/02, as it is now obsolete.

[MS 3480](#) is revised to remove item B.5 because persons receiving a VA reduced pension now receive the standard \$40 personal needs allowance. This is due to the fact that VA reduced pensions of \$90 or less are excluded income. MS 3480, item D, is also revised to add a link/reference to MS 3550, LTC Individual with Community Spouse. MS 3480, item I, is further revised to explain that a doctor's written statement is needed to allow for the cost of attendant care expenses in a vendor payment case and to remove bed hold days in excess of 14 days as an allowable medical deduction as this is no longer correct. Additionally, MS 3480, item D.2, is revised to change the process for increasing the Community Spouse Allowances due to exceptional circumstances and to delete the cross-references to OM Upd. No. 02-21, MS 99592, 8/1/02 and OM Upd. No. 03-22, MS 99630, 6/1/03, as both are now obsolete. MS 3480 is further revised to add item K, allow deduction for co-pays and add a link to MS 1055. MS 3480, item I, is revised at the request of DMS to remove the statement that bed hold days in excess of 14 days are an allowable medical

expense deduction from patient liability as this is no longer true, and to add the statement that attendant care provided by an immediate family member is not an allowable deduction from patient liability. Additionally, MS 3480 is revised to state that durable medical equipment, furniture and personal care items are not an allowable deduction from patient liability.

[MS 3500](#) is revised to add a link/reference to MS 3505, Qualifying Income Trust.

[MS 3505](#), Qualifying Income Trust (QIT) is created to provide information regarding QIT's. Individuals who do not meet the special income standard may place their excess income in a QIT in order to obtain Medicaid eligibility.

[MS 3510](#) is revised for clarity.

[MS 3530](#) is also revised to eliminate Step III processing and to add a link to MS 3505, Qualifying Income Trust.

[MS 3540](#) is also revised to eliminate Step III processing and to add a link to MS 3505, Qualifying Income Trust.

[MS 3550](#) is also revised to delete the cross-references to OM Upd. No. 03-22, MS 99629, 6/1/03, OM Upd. No. 03-30, MS 99639, 9/1/03, and the Addendum to OM Upd. No. 03-30, MS 99639, 9/1/03, as these are now obsolete and to include new instructions on determination of Community Spouse Resource Allowance.

[MS 3570](#), item C, is revised to state "complete a hard copy application" not "complete form the application", and to change "AFDC" to "K-TAP". MS 3570 is also revised to state that a favorable MRT decision is required for non-SSI recipients, and to state that use of special spousal and family allowance provisions may reduce patient liability. MS 3570 is further revised to add a link to MS 3550 and to add AFDC Related MA.

[MS 3580](#) is revised to delete Step II processing and to add a link to MS 2650.

[MS 3610](#) is revised to state that adverse action policy does apply on case actions increasing vendor payments of an individual, and to state that patient liability decreases are effective the month that the change is entered on the system.

[MS 3650](#) is revised to correct the name of PRO and to incorporate procedures for the automated PRO certification. MS 3650 is also revised to incorporate changes in PRO notifications. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3660](#) is revised to incorporate OM Upd. No. 05-06, MS 99690, 2/1/05, Long Term Care Certification Automation and to create links to MS 3650. MS 3660 is also revised to incorporate changes in how the PRO notifies the local offices of initial certification. The cross-reference to OM Upd. No. 05-06, MS 99690, 2/1/05, is deleted.

[MS 3700](#) is revised to change the reference from "DSS" to "DPP" and "DSI" to "DCBS" and to change "Field Services Manager" to "Service Region Administrator". MS 3700 is also revised to remove two private ICF/MR/DD facilities that are no longer operating.



[MS 3710](#) is revised to change "DSI" to "DCBS" and "Hearing Branch" to "Administrative Hearings Branch". It is also revised to add the address for the Administrative Hearings Branch.

[MS 3720](#) is revised to delete the cross-reference to OM Upd. 03-37, MS 99646, 9/1/03 as it is now obsolete. MS 3720 is also revised to change "AIS/MR" to "SCL" and to change "liquid assets" to "all assets".

[MS 3730](#) is revised to incorporate OM Upd. No. 03-37, MS 99646, 9/1/03, as it is now obsolete, and to change the heading from "DSI" to "DCBS". This manual section outlines the responsibility for collecting and obtaining information pertaining to clients receiving LTC services who may be subject to Estate Recovery. After the data collection and entering the information on the KCL system, both at application and when new information is obtained, DMS assumes responsibility from that point.

[MS 3740](#) is revised to change "the Division of Administrative Reviews" to "the Division of Program Integrity" and "Eligibility Services Branch" to "Medical Support and Benefits Branch".

MS 3750 is deleted in its entirety as Medicaid Estate Recovery is handled by the Office of Inspector General.

[MS 4280](#) is revised to remove Personal Care Assistance Program and Homecare Waiver as these programs no longer exist.

[MS 4310](#) is revised to remove the reference to the PA-62 system as these cases are carried on KAMES.

[MS 4330](#) is revised to incorporate current income standards and delete the cross-reference to OM Upd. No. 05-14, MS 99698, 4/1/05.

[MS 4400](#) is revised to add a link to MS 1055 for services requiring co-payments.

[MS 4410](#) is revised to include K-TAP and Family Related MA and to add procedures for form PA-1A.

[MS 4470](#) and [MS 4575](#) are revised to include current income standards and to delete the cross-reference to OM Upd. No. 05-14, MS 99698, 4/1/05.

[MS 4490](#) is revised to include the explanation for buy-in accretes, deletes and restorations, and to advise that the QMB effective date is the first of the month following approval.

[MS 4500](#) is revised to delete the cross-reference to OM Upd. No. 04-09, MS 99661, 2/1/04.

[MS 4520](#) is revised to add that some recipients will receive the plastic MAID cards and to delete the cross-reference to OM Upd. No. 04-22, MS 99676, 4/1/04.

[MS 4530](#) is revised to remove the reference to six-month recertification and to include processing instructions for KAMES and to correct the title of form PA-2Q.

[MS 4585](#) is revised to add a reference to buy-in accretes, deletes and restorations and to add a link to MS 4490.

[MS 4595](#) is revised to delete the cross-reference to OM Upd. No. 04-09, MS 99661, 2/1/04.

[MS 4600](#) is revised to incorporate OM Upd. No. 05-14, MS 99698, 4/1/05, which has the current poverty guidelines and OM Pol. Upd. No. 03-01, MS 99602, 1/1/03, in which all references to the QI2 program have been deleted as the program is no longer offered for Medicare recipients to be reimbursed for the home health care portion of their Medicare Part B premium. MS 4600 revised to incorporate OM Update No. 01-06, MS 99554, 5/1/01, and to add a reference for buy-in accretes, deletes and restoration as a link to MS 4490 and to update QI1 income standards. MS 4600 is further revised to delete the cross-references to OM Pol. Upd. No. 01-06, MS 99554, 5/1/01, and OM Pol. Upd. No. 03-01, MS 99602, 1/1/03. OM Pol. Upd. No. 01-06, MS 99554, 5/1/01 is obsolete.

[MS 4660](#) is revised to change form number "PA-5.1" to "PAFS-5.1" and to remove item C as this is no longer appropriate.

[MS 4662](#) is revised to incorporate OM Pol. Upd. No. 01-16, MS 99564, 8/1/01, which outlined procedures for form PA-601T for applications for deceased individuals. The cross-reference to OM Pol. Upd. No. 01-16, MS 99564, 8/1/01 is removed. It is also revised to state who may sign form MRT-15, Authorization for Information/Release of Information, for a deceased individual.

[MS 4670](#) is revised to incorporate OM Upd. No. 04-30, MS 99684, 12/1/04 and OM Upd. No. 05-02, MS 99686, 1/1/05, and the previously obsoleted OM Upd. No. 04-01, MS 99652, 1/1/04, and to remove cross-references. It is further revised to remove homestead property as an excluded resource.

[MS 4680](#) is revised to change form "PA-5.1" to "PAFS-5.1" and form "PA-97" to "PAFS-97".

[MS 4720](#) is revised to change "OSB" to "MSBB" and to outline the automated ex-parte process, and to delete references to monthly medical cards. The cross-reference to OM Upd. No. 04-22, MS 99676, 7/1/04 is removed.

[MS 4750](#) is revised to change "AFDC" to "K-TAP"; "DSI" to "DCBS"; and to outline the automated ex-parte process for buy-in recipients.

[MS 4753](#) is revised to remove the cross-reference to OM Pol. Upd. No. 01-16, MS 99564, 8/1/01, and to add instructions for forms MRT-15 and CFS-1A. "GDC" in the title is unabbreviated to "Grandfathered Disabled Child" for clarity.

[MS 4755](#) is revised to change "OSB" to "MSBB".

[MS 4770](#) is revised to incorporate OM Pol. Upd. No. 02-13, MS 99584, 7/1/02, which explained the procedure for ex-parte case processing. The cross-reference to OM Pol. Upd. No. 02-13, MS 99584, 7/1/02 is deleted as it is now obsolete.

[MS 4820](#) is revised as currently ex-parte cases do not require worker tracking or manual discontinuance.

[MS 4900](#) is revised to add the statement about SMI payments for SSP recipients with Medicare Part B.

[MS 4910](#), Item A is revised to incorporate OM Upd. No. 04-30, MS 99684, 12/1/04, State Supplementation Standards. MS 4910 is also revised to update the standards for SSP to amounts effective 1/1/2005. MS 4910 is further revised to delete the references to OM Upd. No. 04-01, MS 99652, 1/1/04 and OM Upd. No. 04-30, MS 99684, 12/1/04. OM Upd. No. 04-01, MS 99652, 1/1/04 is deleted as it is now obsolete.

[MS 4930](#) is revised to remove Item C.2.c., "Non-SSI individuals previously unknown to the agency", as these would be new applications and covered in C.2.a. It is also revised to state that State Supplementation benefits may be continued for up to three months if the recipient is temporarily admitted to LTC, and to provide links to the manual sections which explain the process. MS 4930 is further revised to remove the cross-reference to OM Upd. No. 05-03, MS 99687, 1/1/05, as it is now obsolete.

[MS 4940](#) is revised to include clear instructions for case comments when a case is on the PA-62 system. It is also revised to incorporate OM Upd. No. 04-26, MS 99680, 11/1/04, which clarified that certification periods begin with the application month for approvals and program transfers. The cross-reference to OM Upd. No. 04-26, MS 99680, 11/1/04, is removed.

[MS 4960](#) is revised to incorporate new procedures for MRT referrals as outlined in OM Pol. Upd. No. 01-16, MS 99564, 8/1/01. MS 4960 is also revised for clarity.

[MS 4980](#) is revised for clarity and to provide a link to Vol. I, MS 2000-2030 for specific criteria regarding alien status.

[MS 5000](#) is revised to change "DSI" to "DMS". It is also revised to delete a reference to Vol. IV, MS 2110.

[MS 5010](#) is revised to change State Supplementation coding to reflect that these cases are on KAMES and to add a reference to MS 1690.

[MS 5020](#) is revised to remove the statement regarding SSI residency due to revisions in state regulations regarding residency.

MS 5030 and MS 5040 are obsolete due to revisions of state regulations regarding residency.

[MS 5050](#) is revised to update the location of a directory of Personal Care Homes and Family Care Homes.

[MS 5060](#) is revised for clarity of wording.

[MS 5070](#) is created to outline specific criteria for non-SSI SSP recipients who are temporarily staying in a medical institution in accordance with state regulations.

[MS 5100](#) is revised for clarity.

[MS 5110](#) is revised for clarity.

[MS 5120](#) is revised to change the link from MS 3480 to MS 2480.

[MS 5145](#) is created to define the Elder Shelter Network and to outline special income considerations for individuals residing in Elder Shelters as per state regulations.

[MS 5160](#) is revised for clarity.

[MS 5170](#) and [MS 5180](#) are revised to change state supplementation coding. MS 5180 is also revised to remove the cross-reference to OM Upd. No. 05-03, MS 99687, 1/1/05, as it is now obsolete. MS 5180 is further revised to include a link to MS 5070.

[MS 5190](#) and [MS 5200](#) are revised for clarity.

[MS 5235](#) is created to provide instruction regarding the return of SSP checks as per state regulations.

[MS 5240](#) is revised to correct the address for the Office of Inspector General (OIG).

## Volume X

The [Table of Contents](#) is revised to delete the following policy updates as they are incorporated into Volume IVA: 01-06, MS 99554, 5/1/01; 02-10, MS 99581, 6/1/02; 02-13, MS 99584, 7/1/02; 02-21, MS 99592, 8/1/02; 02-22, MS 99593, 8/1/02; 02-24, MS 99595, 9/1/02; 03-13, MS 99616, 4/1/03; 03-22, MS 99629, 6/1/03; 03-22, MS 99630, 6/1/03; Addendum to: 03-22, MS 99630, 6/1/03; 03-24, MS 99633, 7/1/03; 03-28, MS 99637, 8/1/03; 03-30, MS 99639, 9/1/03; Addendum to: 03-30, MS 99639, 9/1/03; 03-32, MS 99641, 9/1/03; 03-34, MS 99643, 9/1/03; 03-36, MS 99645, 9/1/03; Addendum to 03-36, MS 99645, 9/1/03; 03-37, MS 99646, 9/1/03; 04-01, MS 99652, 1/1/04; 04-07, MS 99659, 1/1/04; 04-10, MS 99662, 3/1/04; 04-12, MS 99666, 5/1/04; 04-13, MS 99667, 5/1/04; and 04-21, MS 99675, 7/1/04; 04-29, MS 99683, 12/1/04 and 05-03, MS 99687, 1/1/05.

OM Upd. No. 01-06, MS 99554, 5/1/01, is now obsolete as it is incorporated into [MS 4600](#).

[OM Upd. No. 01-16](#), MS 99564, 8/1/01, is updated to delete the cross-references to Vol. IVA, [MS 1710](#), [MS 1720](#), [MS 4662](#), [MS 4753](#) and [MS 4960](#) as the procedures for MRT referral are incorporated into MS 1710, MS 1720, MS 4662, MS 4753 and MS 4960.

OM Upd. No. 02-10, MS 99581, 6/1/02, is now obsolete as the consideration maintenance account is incorporated into [MS 2470](#).

OM Upd. No. 02-13, MS 99584, 7/1/02, is deleted in its entirety as the processing procedures for Ex-parte cases are incorporated into [MS 4770](#).

OM Upd. No. 02-21, MS 99592, 8/1/02, is deleted in its entirety as the procedures for consideration of VA pensions are incorporated into [MS 2470](#), [MS 3460](#), [MS 3470](#) and [MS 3480](#).

OM Upd. No. 02-22, MS 99593, 8/1/02, is deleted in its entirety as the procedures for consideration of transfer of resources for reasonable costs of schooling or health care of a family member is incorporated into [MS 2070](#).

OM Upd. No. 02-24, MS 99595, 9/1/02, is now obsolete as OIG now has the responsibility for Medicaid Estate Recovery.

[OM Upd. No. 02-25](#), MS 99596, 9/1/02, is updated to remove the cross-reference to Vol. IVA, MS 1580 as the residency requirements for temporary residence is incorporated into MS 1580.

[OM Upd. No. 03-01](#), MS 99602, 1/1/03, is updated to remove the cross-reference to Vol. IVA, MS 1030, MS 1040 and MS 4600 as the QI2 program no longer exists.

[OM Upd. No. 03-11](#), MS 99614, 3/1/03, is updated to remove the cross-reference to Vol. IVA, MS 2470 as the information concerning benefits for children of women Vietnam veterans is incorporated into MS 2470.

OM Upd. No. 03-13, MS 99616, 4/1/03, is now obsolete as the Personal Care Assistance Program no longer exists.

[OM Upd. No. 03-20](#), MS 99627, 5/1/03, is updated to delete the cross-reference to Vol. IVA, MS 2740 as spend down changes are incorporated into [MS 2740](#).

OM Upd. No. 03-22, MS 99629, 6/1/03, is obsolete as [MS 2135](#) is created to provide procedures for the determination of the community spouse resource allowance.

OM Upd. No. 03-22, MS 99630, 6/1/03 and the Addendum To: OM Upd. No. 03-22, MS 99630, 6/1/03 are now obsolete as the procedures for computation of the community spouse income allowance are incorporated into [MS 1760](#), [MS 2120](#), [MS 2130](#), [MS 2140](#), [MS 2860](#), [MS 2960](#), [MS 3017](#), [MS 3150](#), [MS 3230](#), [MS 3480](#) and [MS 3550](#).

OM Upd. No. 03-24, MS 99633, 7/1/03, is now obsolete and is incorporated into [MS 1890](#). All annuities are now reviewed by DMS for a determination of actuarial soundness.

OM Upd. No. 03-28, MS 99637, 8/1/03, is now obsolete as the procedures for consideration of homestead property placed in a trust is incorporated into [MS 2070](#).

OM Upd. No. 03-30, MS 99639, 9/1/03, and the Addendum To: OM Upd. No 03-30, MS 99639, 9/1/03, are now obsolete. [MS 3505](#) is created to explain Qualifying Income Trusts. The removal of Step II processing in all vendor payment cases except Supports for Community Living (SCL) waivers and ICF/MR/DD cases is removed from MS 2940, MS 2950, MS 2960, MS 2770, MS 2980, MS 3015, MS 3017, MS 3020, MS 3025, MS 3210, MS 3220, MS 3230, MS 3240, MS 3530, MS 3540 and MS 3550.

OM Upd. No. 03-32, MS 99641, 9/1/03, is now obsolete as the instructions for consideration of homestead property are incorporated into [MS 1880](#), [MS 2050](#), [MS 2070](#) and [MS 2080](#).

OM Upd. No. 03-34, MS 99643, 9/1/03, is now obsolete as the Home Care Waiver Program no longer exists.

[OM Upd. No. 03-35](#), MS 99644, 9/1/03, is updated to remove the cross-reference to [MS 1890](#) and [MS 2220](#) as these Manual Sections are updated for procedures concerning the review of annuities by DMS.

OM Upd. No. 03-36, MS 99645, 9/1/03, and the Addendum To: OM Upd. No. 03-36, MS 99645, 9/1/03, are now obsolete as the procedures for consideration of homestead after six months of institutionalization are incorporated into [MS 1880](#) and [MS 1890](#).

OM Upd. No. 03-37, MS 99646, 9/1/03, is now obsolete as the changes concerning estate recovery homestead exemption are incorporated into [MS 3720](#), [MS 3730](#) and [MS 3750](#).

[OM Upd. No. 03-41, MS 99651, 12/1/03](#), is revised to remove the cross-reference to [MS 1350](#) and [MS 1880](#) as the procedures for consideration of IRA's have been incorporated into these manual sections.

OM Upd. No. 04-01, MS 99652, is now obsolete as the new standards for 2005 have been added.

OM Upd. No. 04-07, MS 99659, 1/1/04, is now obsolete as the new Hospice Standards are incorporated into [MS 3060](#).

[OM Upd. No. 04-09, MS 99661, 2/1/04](#), is revised to remove the cross-references to [MS 2740](#), [MS 4500](#) and [MS 4595](#) as the new special circumstance procedures are incorporated into these manual sections.

OM Upd. No. 04-10, MS 99662, 3/1/04, is now obsolete as the definition of community spouse is incorporated into [MS 1010](#).

[OM Upd. No. 04-10, MS 99663, 3/1/04](#), is revised to remove the cross-reference to [MS 1870](#) as the instructions for resource verification at renewal are incorporated into this manual section.

[OM Upd. No. 04-10, MS 99664, 3/1/04](#), is revised to remove the cross-reference to [MS 2320](#) and [MS 2340](#) as the procedures for consideration of IRA's are incorporated.

OM Upd. No. 04-12, MS 99666, 5/1/04, is now obsolete as [MS 1880](#) is revised to clarify the exclusion of a resource for a reasonable effort to sell.

OM Upd. No. 04-13, MS 99667, 5/1/04, is now obsolete as [MS 2820](#) and [MS 2890](#) are revised to correctly reflect the forms needed for a SCL case.

OM Upd. No. 04-21, MS 99675, 7/1/04, is now obsolete as [MS 1760](#) is revised to incorporate the new Family Member Income Allowance, Community Spouse Minimum Income Allowance and The Community Spouse Minimum Shelter Allowance effective 7/1/04.

OM Upd. No. 04-29, MS 99683, 12/1/04, is obsolete as income changes concerning irregular and infrequent income, disabled child earnings, and interest and dividend income have been incorporated into [MS 2320](#), [MS 2420](#), [MS 2470](#) and [MS 3460](#).

[OM Upd. No. 04-30](#), MS 99684, 12/1/04, is revised to remove the cross-reference to [MS 4670](#) and [MS 4910](#) as income standards have been updated.

[OM Upd. No. 05-02](#), MS 99686, 1/1/05 is revised to remove cross-reference to [MS 1760](#) and [MS 4670](#) as income standards have been updated.

OM Update No. 05-03, MS 99687, 1/1/05 is obsoleted as this was incorporated into [MS 4930](#) and [MS 5180](#).

[OM Update No. 05-06](#), MS 99690, 2/1/05, is revised to remove cross-references to [MS 2110](#), [MS 2820](#), [MS 2890](#), [MS 2910](#), [MS 2990](#), [MS 3350](#), [MS 3360](#), [MS 3370](#), [MS 3380](#), [MS 3410](#), [MS 3650](#) and [MS 3660](#).

[OM Update No. 05-14](#), MS 99698, 4/1/05 is revised to remove the cross-reference to [MS 4330](#), [MS 4470](#), [MS 4575](#), and [MS 4600](#) as the new poverty level guidelines are incorporated into these manuals sections.

Mike Robinson, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 263  
December 1, 2004

To: All Field Staff

Subject: Human Trafficking Victims

The Trafficking Victims Protection Reauthorization Act of 2003 resulted in several changes to policy for K-TAP and Medical Assistance. The Act expanded the eligible group to include not only the victim of human trafficking but also eligible relatives. Eligible relatives include the victim's spouse, dependent children, and if the victim is a child, the child's siblings and parents. In addition, it provided new documentation known as "Derivative T Visas" that are used to identify eligible relatives. These visas have codes of T-2, T-3, T-4, or T-5. These T codes may also be shown on form I-94, Arrival Departure Record.

Volume I

[MS 2000](#) is revised to add eligible relatives of victims of human trafficking to the list of qualified aliens.

[MS 2005](#) is revised to add the information concerning eligible relatives of victims of human trafficking.

[MS 2010](#) is revised to add victims of human trafficking and their eligible relatives to the examples of aliens entering the country for permanent residence.

[MS 2020](#) is revised to include the Derivative T Visa codes to the INS documents.

[MS 2030](#) is revised to state that the worker is to ensure the alien understands any request for information and documentation, as there may be a language barrier. Also, the worker should work with the resettlement agency if one is involved with the alien.

[MS 2035](#) is revised to add that a SAVE Inquiry is not completed for victims of human trafficking or their eligible relatives. This information is also found in MS 2005.

Volume II

[MS 2900](#) is revised to include the spouses, dependent children, and if the victim is a child, the child's parents and siblings, when determining alien status.

[MS 2915](#) is revised to state that SAVE is NOT contacted concerning victims of trafficking and their eligible relatives or for nonimmigrant alien family members.

Mike Robinson, Commissioner



[illegible]

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 262  
November 1, 2004

To: All Field Staff

Subject: Revised EBT Procedures

Effective November 15, 2004, the Commonwealth will be converting to a new Electronics Benefits Transfer (EBT) contractor. As a result, Volume II, MS 8000 through MS 8040, MS 8100, MS 8110, MS 8130, MS 8200, and MS 8240 have been revised to reflect these changes. Some changes are as follows:

- PINs will no longer be mailed, therefore the references to PINS have been removed. Recipients will select their PIN at the same time they call to activate their EBT card.
- The EBT card design will no longer contain the words "Benefit Security Card" on the front. The Commonwealth's state seal will appear. New EBT cards will not be issued to the current food stamp population. The current card will continue to work.
- Workers will access the new EBT system through a web-based browser at <https://www.ebt.chfs.ky.gov/LoginScreen.do>

Volume II

The [Table of Contents](#) has been revised to correct the title of MS 8030, MS 8040 and MS 8200. It is also revised to delete MS 8230 as it is now obsolete.

[MS 8000](#) is revised to remove the contracting agency information and to remove Southern Alliance of States (SAS) and Systems and Methods Incorporated (SMI) from the EBT acronyms list.

[MS 8010](#) is revised to change the name of the EBT system. MS 8010 is further revised to correct the name of the Nutrition Assistance and Accountability Branch and to remove the references to PINs.

[MS 8020](#) is revised to change the design name of the EBT card, to state that EBT provides a safer, more secure method for recipients to receive their benefits and to add telephone numbers when problems arise with EBT cards.

[MS 8030](#) is revised to update required explanations of EBT card usage and to remove the references to PINs.

[MS 8040](#) is revised to correct the name of the Nutrition Assistance and Accountability Branch, to correct the name of Central Office, and to remove the references to PINs.

[MS 8100](#) is revised to change access ability for the EBT card.

[MS 8110](#) is revised to remove purging procedures for the EBT account and/or EBT card. MS 8110 is further revised to change procedures for handling EBT accounts when a spot check has been received on expunged benefits and to state that the EBT account will always remain active on the EBT system and the EBT card will remain active unless reported as lost, stolen or damaged.

[MS 8130](#) is revised to update EBT Inquiry procedures, references to KAMES created PIN numbers and references to conversion of benefits to paper coupons. MS 8130 is further revised to change the EBT system security phone number and to correct the name of Central Office.

[MS 8200](#) is revised to remove references to the EDGE system and to remove the references to replacement of PIN numbers.

MS 8230 is obsolete as this policy no longer applies as all states utilize EBT benefits.

[MS 8240](#) and [MS 9000](#) are revised to correct the name of the Nutrition Assistance and Accountability Branch.

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 261  
October 1, 2004

To: All Field Staff

Subject: Medicare Prescription Drug Discount Card and Subsidy

As a result of the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA), Medicare beneficiaries may receive a prescription drug discount card. The discount card was created to provide the recipient with negotiated prescription drug prices that should be lower than the regular prices. In addition, some Medicare recipients may receive through the drug discount card a \$600 credit ("transitional assistance"). Only Medicare recipients whose incomes are not more than 135 percent of the poverty line and who do not have certain other drug coverage will receive the \$600 credit. Currently, the credit is scheduled to be issued for June 2004 through December 2004 and calendar year (CY) 2005.

The Food and Nutrition Service (FNS) states that the availability of negotiated prices or credit received through the prescription card will not be treated as income or a resource for the Food Stamp Program (FSP). In addition, to prevent households from experiencing any reduction in their food stamp benefits as a result of receiving the discount drug card, the discounts and credit a household receives through the drug discount card will be treated as standard medical expenses when determining the household's medical expense deduction. This medical deduction is only authorized for the Medicare Prescription Drug Discount Card in food stamp cases. The Medicare Prescription Drug Discount Card policy **does not** apply to any other type of prescription drug or medical discount programs.

Medicare recipients that have been approved for the discount card will have a card with a seal on it. The seal will read "Medicare Approved". If the card does not have the Medicare-approved seal, the card is not Medicare approved and not eligible for a medical deduction. Medicare recipients are responsible for notifying the Department about the eligibility for the discount card. However, workers should ask food stamp recipients about eligibility for the discount card and credit at applications and recertifications, as this is not a mandatory reportable change for Simplified Reporting (SR) households and non-SR households.

## Volume II

[MS 5420](#) and [MS 5430](#) are revised to provide procedures for the treatment of the Medicare Prescription Drug Discount Card. Eligible Medicare recipients with incomes at or below 135 percent of the income poverty line are eligible for a \$600 credit for the remainder of CY 2004 and throughout CY 2005. Kentucky has elected to average each year's credit over a 12-month period for eligible households. As a result, \$50 is allowed as a medical deduction in the food stamp case for individuals who qualify for the \$600. The estimated value of the prescription drug discount card is \$276 per year, or \$23 per month. Budget \$23 a month in medical expenses for

each cardholder that resides in the food stamp household. A cardholder's monthly medical expenses equal the cardholder's actual monthly out-of-pocket expense plus \$23. Cardholders are allowed to claim the actual out-of-pocket prescription expense incurred prior to using the discount card if those expenses exceed the total of their current out-of-pocket plus the amount of all allowances the household receives.

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 260  
August 1, 2004

To: All Field Staff

Subject: Transportation Good Cause and Various Volume IIA and Volume VI  
Changes

Volume IIA

[The Table of Contents](#) is revised to add the following manual sections: MS 1555, "FS Work Registration for K-TAP Applicants"; MS 1705, "Loss of Exemption for 18-year-olds"; MS 2405, "FS Work Requirement Disqualifications"; MS 2455, "Imposing 316 Disqualifications"; MS 5705, "Returning ABAWD"; MS 8305, "Reinstating After Erroneous ETP Disqualifications"; MS 8505, "ET Conciliation Met"; and MS 8605, "Transportation 'Excessive Expense' Good Cause Exemption".

[MS 1550](#), [MS 1650](#), [MS 1700](#), [MS 2150](#), [MS 5550](#), [MS 5600](#), and [MS 8600](#) are revised to remove the reference to OM Pol. Upd. No. 04-05, MS 99656, 1/1/04 as it is now obsolete.

[MS 1550](#) is also revised to incorporate KAMES work registration procedures from Vol. VI, MS 2550.

[MS 1555](#) is created to incorporate procedures from Vol. VI, MS 2580 concerning FS work registration for K-TAP applicants.

[MS 1650](#) is also revised to incorporate work registration exemption procedures from Vol. VI, MS 2560.

[MS 1700](#) is also revised to incorporate procedures in the loss of FS work registration exemption procedures from Vol. VI, MS 2570.

[MS 1705](#) is created to incorporate OM Pol. Upd. No. 04-05, MS 99656, 1/1/04, in regard to loss of work registration exemption for 18-year-olds.

[MS 1750](#) is revised to remove the reference to Vol. VI, MS 2560 and MS 2670 as these sections are now obsolete.

[MS 2050](#) is revised to remove the reference to Vol. VI, MS 5500 as this information has been incorporated into Vol. IIA, MS 2100.

[MS 2100](#) is revised to incorporate work-related disqualification codes from Vol. VI, MS 5500.

[MS 2400](#) is revised to remove the reference to Vol. VI, MS 5745 as this section is now obsolete.

[MS 2405](#) is created to incorporate procedures from Vol. VI, MS 5740.

[MS 2450](#) is revised to remove the reference to Vol. VI, MS 5740 as this section is now obsolete.

[MS 2455](#) is created to incorporate procedures from Vol. VI, MS 5742.

[MS 2500](#) is revised to remove the reference to Vol. VI, MS 5745 as this section is now obsolete.

[MS 3100](#) is revised to remove the reference to Vol. VI, MS 2550 as this section is now obsolete.

[MS 4150](#) is revised to remove the reference to Vol. VI, MS 5755 and MS 5760 as these sections are now obsolete.

[MS 5550](#) is also revised to incorporate Vol. VI, MS 2650 concerning procedures to apply relating to KAMES questions to determining ABAWD eligibility.

[MS 5600](#) is also revised to remove the reference to Vol. VI, MS 2560, MS 2570, and MS 2650 as these sections are now obsolete.

[MS 5650](#) is revised to incorporate Vol. VI, MS 2660 and MS 2670 concerning procedures on ABAWD tracking.

[MS 5650](#) is also revised to add the new ABAWD transportation tracking code of "EE" to KAMES.

[MS 5700](#) is revised to remove the reference to Vol. VI, MS 2660 as this section is now obsolete.

[MS 5705](#) is created to incorporate Vol. VI, MS 2680 concerning procedures for returning ABAWDs.

[MS 5750](#) is revised to change "PARB" to "NAAB".

[MS 6150](#) is revised to remove the reference to Vol. VI, MS 2660 as this section is now obsolete.

[MS 8305](#) is created to incorporate procedures from Vol. VI, MS 5760.

[MS 8450](#) is revised to incorporate procedures concerning curing work-related disqualification from Vol. VI, MS 5745.

[MS 8505](#) is created to incorporate procedures for conciliation from Vol. VI, MS 5755.

[MS 8600](#) is revised to include "Excessive Expense for Transportation" as a good cause reason.

[MS 8605](#) is created to provide procedures for determining and allowing the good cause reason of "Excessive Expense" for ETP transportation issues and to incorporate OM Pol. Upd. No. 04-05, MS 99657, 1/1/04 as it is now obsolete.

## Volume VI

[The Table of Contents](#) is revised to remove manuals sections: MS 2550; MS 2560; MS 2570; MS 2580; MS 2620; MS 2650; MS 2660; MS 2670; MS 2680; MS 3240; MS 3820; MS 5660; MS 5740; MS 5742; MS 5745; MS 5755; MS 5760; MS 5765; and MS 5770 as these sections are now obsolete.

[The Table of Contents](#) is also revised to correct the title of MS 1700.

MS 2550 is obsoleted and incorporated into Vol. IIA, MS 1550.

MS 2560 is obsoleted and incorporated into Vol. IIA, MS 1650.

MS 2570 is obsoleted and incorporated into Vol. IIA, MS 1700.

MS 2580 is obsoleted and incorporated into the newly created manual section in Vol. IIA, MS 1555.

MS 2620 is obsoleted as this policy is no longer applicable. All adult members are exempt ABAWD now if there is a child in the FS household under 18.

MS 2650 is obsoleted and incorporated into Vol. IIA, MS 5550.

MS 2660 is obsoleted and incorporated into Vol. IIA, MS 5650.

MS 2670 is obsoleted and incorporated into Vol. IIA, MS 5650.

MS 2680 is obsoleted and incorporated into the newly created manual section in Vol. IIA, MS 5705.

MS 3240 is deleted as some instructions are obsolete and revised CS income for KAMES procedures are now incorporated in Vol. II, MS 5650; Vol. III, MS 2610; Vol. IV, MS 3520 and MS 4374; and Vol. IVA, MS 2230.

MS 5020 is obsolete as the information is now in the specific program manual sections.

[MS 5500](#) is revised to remove information concerning FS work-related disqualification codes and incorporate them into Vol. IIA, MS 2100.

MS 5660 is obsoleted as these procedures are duplicated in Vol. IIA, MS 2200.

MS 5740 is obsoleted and incorporated into the newly created manual section in Vol. IIA, MS 2405.

MS 5742 is obsoleted and incorporated into the newly created manual section in Vol. IIA, MS 2455.

MS 5745 is obsoleted and incorporated into Vol. IIA, MS 8450.



MS 5755 is obsoleted and incorporated into Vol. IIA, MS 8450.

MS 5760 is obsoleted and incorporated into the newly created manual section in Vol. IIA, MS 8305.

MS 5765 is obsoleted as these procedures are duplicated in Vol. IIA, MS 6100.

MS 5770 is obsoleted as these procedures are duplicated in Vol. IIA, MS 6100.

#### Volume X

MS 99656 is obsolete as it is incorporated into Vol. IIA, MS 1705.

MS 99657 is obsolete as the procedures are incorporated into the newly created manual section in Vol. IIA, MS 8605.

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Errata To:  
Operation Manual  
Transmittal Letter No. 259  
August 1, 2004

To: All Field Staff

Subject: Food Stamp, K-TAP and MA Child Support Income  
Policy and Procedures

An errata to OMTL-259 is issued to clarify income budgeting instructions for child support income.

[OMTL-259](#) erroneously provided income budgeting instructions that would result in an incorrect calculation of child support income. Example No. 2 provided in Volume II, MS 5650, Budgeting Income; Example No. 2 in Volume III, MS 2610C; and instructions in Volume IV, MS 3530 and MS 4374 are corrected. For your convenience, we are reissuing the corrected examples and instructions to these manual sections.

Volume II

[MS 5650](#) is revised to correct the example for child support entry of 3 children in a household receiving child support income from the same non-custodial parent.

Volume III

[MS 2610](#) is revised to state that if the household is under the gross income limits, the child support income is removed before the calculation of the application and ongoing benefits. Also, Example No. 2 in item C is corrected to reflect the rounding performed by KAMES. When the child support is divided between two or more children, it is necessary to round the average monthly amount (to the nearest dollar) of child support before determining each child's share.

Volume IV

[MS 3530](#) and [MS 4374](#) are revised to remove language which inferred that the \$50 disregard is subtracted from each monthly amount of child support received. This was inconsistent with subsequent instruction in the manual sections to subtract the disregard from the average of the 3 prior months' child support payments. The correct procedure is to average the 3 prior months' child support, then subtract the disregard.

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 259  
August 1, 2004

To: All Field Staff

Subject: Food Stamp, K-TAP and MA Child Support Income  
Policy and Procedures

As a result of recommendations made through the CQI process, a work group representing the Department for Community Based Services (DCBS) central and local office staff, the Department for Medicaid Services (DMS), Division of Professional Development and Training, Quality Control and Management Evaluation met to revise the child support (CS) income policy for uniformity in the Food Stamp Program (FSP), Kentucky Transitional Assistance Program (K-TAP) and Medical Assistance (MA) Program. In addition, this meeting was initiated by the Division of Family Support (DFS) Director, to address case processing errors and eliminate the complexity of computing CS income caused by different policies and procedures for the three programs.

Based on Federal and state regulations and policy, the workgroup came to the following consensus for considering CS income in **all benefit programs** administered by DCBS.

A. Rounding

1. Manually add the total amount of CS income for the 3 prior months if representative of ongoing income, then average the total and enter the actual dollars and cents monthly amount on the system. **Do not round the weekly or monthly total.**
2. The only exception to this rule is when averaging CS for children that receive CS from the same non-custodial parent (NCP). For these types of cases, divide the CS among the number of children for whom the support is intended and round in a manner that equals the total monthly amount of support due. See entering CS on the system.

B. Entering CS on KAMES

1. Manually add all 3 months, divide by 3 to get an average and enter on KAMES as a monthly amount using the CA calculation code. **Do not round the weekly or monthly total.**
2. Enter the CS under each child for whom the income is paid by the NCP. If there is more than one child for the same NCP, determine the average monthly amount and divide it among the number of children for whom the support is intended. Round the amounts in a manner that equals the total monthly amount of support due.

Example: If a household receives \$100 CS for 3 children. The average equals \$33.33 per child. Enter \$33 for 2 children and \$34 for 1 child, which totals \$100 monthly.

C. The reference to form CSR-41, Notice of Payment of Child Support Collection to Recipient, is deleted as this form is obsolete. The information is now contained on the DCSE Escrow Review screen (HRKIMB34) which is accessed from the DCSR. When an escrow situation occurs, the DCSR is posted with the message "DCSE Escrow Review".

#### D. KASES Payment Date

All assistance programs will use the disbursement date (check date) for CS income when received through KASES.

#### E. Documentation

1. Document the case record in enough detail to permit a reviewer to determine the accuracy of the processed case. Documentation includes but is not limited to the following: verification source such as KASES screens; support is paid to the Division of Child Support (DCS); written statement from absent parent; check stubs; and if paid by wage assignment.
2. Document the method used to determine child support entry such as: use of written statement; manual calculations of the last 3 months of income; using 4 1/3 or 2 1/6 when the prior 3 months are not representative; and **if** a calculator with tape was used, include the tape.

### Volume II

[MS 5650](#) is revised to incorporate the new procedural changes to budgeting child support income in a food stamp case. The revisions outline CS policy and procedures for rounding, KAMES entry, selecting the correct KASES payment date and documentation. With the incorporation of KAMES procedures, Vol. VI, MS 3240 is obsolete with this transmittal letter. [MS 5650](#) is also revised to remove reference to Notice of Payment of Child Support Collection to K-TAP Recipient. This form is no longer generated. A "DCSE Escrow Review" screen is sent to the worker's DCSR.

### Volume III

[MS 2500](#) is revised to state the rounding procedures do not apply to child support income. Also, a reference to [MS 2610](#) is added. In addition, KASES is added as a verification source.

[MS 2610](#) is revised to provide specific instructions for the entry of the child support income on KAMES. The child support income is entered for each child for whom the child support is paid. If the K-TAP gross income test is met, the child support income, which is forwarded to the Division of Child Support (DCS), is removed from the case before ending session. Only escrow child support payments and child support payments that are not forwarded to DCS remain on KAMES to be considered in the benefit calculation. The prior 3 months, if representative, is used to determine the amount of child support received monthly.

### Volume IV

[MS 3530](#) is revised to instruct workers to enter child support income as “other” unearned income on KAMES. [MS 3530](#) is further revised to add KASES as a source of verification of child support. This incorporates Volume VI, MS 3240.

It is further revised to instruct workers to calculate an average monthly child support amount before applying the \$50 disregard. The average monthly amount is calculated by dividing the total of child support received in the prior 3 months by 3. The average monthly amount minus the \$50 disregard is divided by the number of children receiving the support. Additionally, examples are provided for situations where there is more than one payor of child support.

The term absent parent (AP) has been replaced by Non-Custodial Parent (NCP).

[MS 4374](#) is revised to instruct workers to enter child support income as “other” unearned income on KAMES. This incorporates Volume VI, MS 3240.

It is further revised to instruct workers to calculate an average monthly child support amount before applying the \$50 disregard. The average monthly amount is calculated by dividing the total of child support received in the prior 3 months by 3. The average monthly amount minus the \$50 disregard is divided by the number of children receiving the support. Additionally, examples are provided for situations where there is more than one payor of child support.

The term absent parent (AP) has been replaced by Non-Custodial Parent (NCP).

#### Volume IVA

[MS 2230](#) is revised to instruct workers to enter child support income as “other” unearned income on KAMES. This incorporates Volume VI, MS 3240. KASES is added as a verification source.

[MS 2230](#) is further revised to replace the term absent parent (AP) with the term Non-Custodial Parent (NCP).

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 258  
July 1, 2004

To: All Field Staff

Subject: Clean-Up of Volumes II and IIA

Volume II

The Table of Contents is revised to add MS 5470 as it was inadvertently omitted. It is also revised to correct the titles of the following manual sections: MS 3000, MS 5480, MS 6410 and MS 6707.

[MS 3810](#) is revised to further clarify policy for appointing representatives for individuals who do not have the capacity to care for themselves. This manual section is revised to state if applicants do not have the mental capacity to care for themselves, then they do not have the ability to designate an authorized representative. In these situations, the legal guardian can apply without a signed statement from the applicant as long as proof is provided. The order of guardianship from the court will serve as verification of representation.

[MS 3820](#) is revised to clarify that the reference to Department employees is referring to the Division of Family Support (DFS) employees. DFS employees cannot be representatives if they are involved in the certification and/or issuance processes unless there is specific written approval from the Service Region Administrator (SRA) or designee and only if a determination has been made that no one else is available to serve.

[MS 5820](#) is revised to state that for child support **deductions**, DO NOT round cents before adding or multiplying hourly or daily earnings. However, before adding or multiplying weekly, bi-weekly, semi-monthly, quarterly or annual earnings, round all cents. It is further revised to advise workers to follow rounding procedures in MS 5650 for rounding child support **income**.

Volume IIA

The Table of Contents is revised to correct the titles of the following manual sections: MS 8110, MS 8150, MS 8750 and MS 8800.

[MS 3050](#) is revised to state the following counties are currently ABAWD counties: Anderson, Boone, Bracken, Bullitt, Campbell, Daviess, Fayette, Franklin, Gallatin, Garrard, Grant, Henry, Jefferson, Jessamine, Kenton, Mercer, Oldham, Pendleton, Pike, Scott, Shelby, Spencer and Woodford.

[MS 3250](#) is revised to state, "to determine the number of hours the recipient is required to work, [see MS 8200](#)".

[MS 8125](#) is revised to state, "see MS 8200 for the FS allotment and hours chart".

Mike Robinson, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Errata To:  
Operation Manual  
Transmittal Letter No. 257  
March 1, 2004

To: All Field Staff

Subject: Various Handbook Revisions

The following is issued to clarify manual maintenance instructions.

[OMTL-257](#) erroneously instructed staff to remove OM Pol. Upd. No.'s 02-23, 03-09 and 03-21, when these updates had previously been removed and destroyed. For your convenience, we are reissuing the correct Page 4, of the OMTL cover letter.

Volume II

Page 6 of the [Table of Contents in OM Vol. II](#), is revised to change the name of [MS 6410](#) to Verification Time Standards at Application and Recertification; it was previously unchanged in OMTL-257.

Mike Fields, Deputy Commissioner

INSTRUCTIONS FOR OPERATION MANUAL MAINTENANCE			
REMOVE AND DESTROY		INSERT	
Cover Letter to: OMTL-257, 3/1/04 Page 3 Page 4		Errata to: Cover Letter OMTL-257, 3/1/04	
		Page 3 OMTL-257	3/1/04
		Page 4 Errata To: OMTL-257	3/1/04
VOLUME II			
REMOVE AND DESTROY		INSERT	
Table of Contents Page 5 Page 6	R. 9/1/97 R. 11/1/03	Table of Contents Page 5 Page 6	R. 9/1/97 R. 3/1/04



INSTRUCTIONS FOR OPERATION MANUAL MAINTENANCE			
VOLUME I			
REMOVE AND DESTROY		INSERT	
0506	R. 8/1/03	0506	R. 3/1/04
0506(2)	R. 8/1/03	0506(2)	R. 3/1/04
VOLUME II			
REMOVE AND DESTROY		INSERT	
2330	R. 4/1/98	2330	R. 3/1/04
5200-5210	R. 10/1/02	5200-5210	R. 3/1/04
5210(2)	R. 10/1/02	5210(2)	R. 3/1/04
5210(5)	R. 4/1/98	5210(5)	R. 4/1/98
5210(6)	R. 4/1/02	5210(6)	R. 3/1/04
5450-5470	R. 11/1/03	5450-5470	R. 3/1/04
5470(2)	R. 11/1/03	5470(2)	R. 11/1/03
5520	R. 11/1/03	5520	R. 3/1/04
5650(7)	R. 4/1/03	5650(7)	R. 4/1/03
5650(8)	R. 4/1/03	5650(8)	R. 3/1/04
6400	R. 3/1/03	6400	R. 3/1/03
6410	R. 3/1/03	6410	R. 3/1/04
6410(2)	R. 3/1/03	6410(2)	R. 3/1/04
6420	R. 6/1/00	6410(3)	R. 3/1/04
		6420	R. 6/1/00
8100	6/1/00	8100	6/1/00
8110	6/1/00	8110	R. 3/1/04
8110(2)	R. 10/1/03	8110(2)	R. 3/1/04
8110(3)	3/1/03		
8140	R. 3/1/03	8140	R. 3/1/04
8220	6/1/00	8220	R. 3/1/04
8220(2)	6/1/00	8220(2)	R. 3/1/04
VOLUME IIA			
REMOVE AND DESTROY		INSERT	
1650	8/1/97	1650	R. 3/1/04
1650(2)	R. 6/1/00	1650(2)	R. 6/1/00

INSTRUCTIONS FOR OPERATION MANUAL MAINTENANCE (CONT.)			
VOLUME VI			
REMOVE AND DESTROY		INSERT	
5740-5745	R. 8/1/98	5740-5745	R. 3/1/04
5745(2)	R. 3/1/98	5745(2)	R. 3/1/98
VOLUME X			
REMOVE AND DESTROY		INSERT	
99599	12/1/02		
(OM Pol. Upd. No. 02-28)			
99636	7/1/03		
(OM Pol. Upd. No. 03-27)			
99650	11/1/03		
(OM Upd. No. 03-40)			
99655	1/1/04		
(OM Upd. No. 04-04)			

COMMONWEALTH OF KENTUCKY  
Cabinet for Health and Family Services  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 257  
March 1, 2004

To: All Field Staff

Subject: Various Handbook Revisions

Volume I

[MS 0506](#) is revised to incorporate OM Update No. 03-40, MS 99650, 11/1/03.

Volume II

[MS 2330](#) is revised to change the wording in "Exception to Student Status" from "disabled" to "unfit" to match federal regulations and to reduce staff confusion regarding the definition of disabled. A federal clarification states that federal regulations do not require FS applicants/recipients meet the definition of disabled as defined in [MS 2000](#) for student status and work registration. Individuals only have to be physically or mentally unfit for employment. Verification procedures are unchanged.

[MS 5210](#) is revised to incorporate OM Update No. 03-11, MS 99614, 3/1/03 and OM Update No. 04-04, MS 99655, 1/1/04, regarding excluded income.

[MS 5470](#) is revised as the result of a Food and Nutrition Services (FNS) clarification to state that regardless of whether or not a household pays their rent in advance, it is still an allowable shelter deduction.

[MS 5520](#) is revised to remove the reference to including excluded members when determining the SUA amount; this no longer applies as we now only have a standard SUA amount.

[MS 5650](#) is revised to add procedures for processing educational income for SR households.

[MS 6410](#) is revised to change the title of the section to Verification Time Standards at Application and Recertifications. It is further revised to include procedures for verification time standards for recertifications.

[MS 8110](#) is revised to change information about when the EBT aging notice is sent and when an EBT aging spot check is displayed. Recipients will no longer receive a 2-month and 6-month notice warning them that their EBT account will be expunged. Advise recipients that benefits unused for 9 months will be expunged. The "aging" spot checks will only be created when benefits are expunged for active cases.

[MS 8140](#) is revised to change procedures for processing food stamp cases when the recipient moves out of Kentucky. Effective 2/1/04, Kentucky will no longer convert food stamp benefits to paper coupons when a recipient leaves the state due to the following reasons:

1. Nationwide EBT implementation is expected by 10/1/04;
2. Interoperability; and
3. The difficulty recipients and retailers have with trying to redeem paper coupons.

The Kentucky EBT card can be used in all states except Ohio and Wyoming. Each local office will be provided with a list of retailers in Ohio and Wyoming which will accept the Kentucky EBT card.

[MS 8220](#) is revised to incorporate OM Update No. 03-27, MS 99636, 7/1/03. This policy update revised procedures for replacing food stamp benefits for the amount of food purchased that is subsequently destroyed in a household misfortune or disaster such as a fire, flood, or power outage. The new criteria is based on a FNS clarification which states that generally, power must be off for 72 hours before a replacement for loss of food can be authorized. Procedures have been added for processing food stamp cases when power has been off for less than 72 hours or 72 hours.

#### Volume IIA

[MS 1650](#) is revised to change the wording in "Exemptions" from "disabled" to "unfit" to match federal regulations and to reduce staff confusion regarding the definition of disabled. A federal clarification states that federal regulations do not require food stamp applicants/recipients meet the definition of disabled as defined in [MS 2000](#) for student status and work registration. Individuals only have to be physically or mentally unfit for employment. Verification procedures are unchanged.

#### Volume VI

[MS 5740](#) is revised to incorporate the obsoleted OM Update No. 03-06, MS 99609, 1/1/03, concerning refusal to provide sufficient information in regard to voluntary quit or reductions in work hours.

[MS 5740](#) is further revised to change "Refusal to Cooperate with DES" to "Refusal to cooperate with ETP requirements."

[MS 5742](#) is revised to remove the reference to K-TAP as a work program.

#### Volume X

OM Update No. 02-23, MS 99594, 8/1/02, is obsolete as it was previously incorporated.

OM Update No. 02-28, MS 99599, 12/1/02, is obsoleted per this OMTL as it was previously incorporated.

OM Update No. 03-09, MS 99612, 4/1/03, is obsolete as it was previously incorporated.

OM Update No. 03-21, MS 99628, 6/1/03, is obsolete as it was previously incorporated.

OM Update No. 03-27, MS 99636, 7/1/03, is obsolete as it is now incorporated.

OM Update No. 04-04, MS 99655, 1/1/04, is obsolete as it is now incorporated.

Mike Fields, Deputy Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 256  
November 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions to Volumes II and VI

Volume II

The [Table of Contents](#) is revised to change the title of MS 6705 to "Simplified Reporting Households".

[MS 5320](#) is revised to clarify policy on business expenses for self-employed households.

[MS 5460](#) is revised to change the maximum shelter deduction to \$378 and to remove the pen and ink reference to OM Upd. No. 03-38.

[MS 5470](#) is revised to incorporate OM Policy Update No. 03-21 regarding shelter deductions. Because we now mandate the use of the SUA/BUA for eligible households, self-employed households no longer have the option to use actual and prorate. Therefore, they only have the option to either choose the SUA/BUA and receive no utility deduction from their self-employment or receive no deduction for utilities at all, and use the utility deduction for self-employment only. MS 5470 is further revised to remove the reference of OM Policy Update No. 03-21 and formatting changes.

[MS 5480](#) and [MS 5485](#) are revised to correct the headers. MS 5485 is also revised to remove the reference to the recipient "selecting" the SUA/BUA as "selecting" is no longer an option.

[MS 5490](#), [MS 5500](#) and [MS 5520](#) are revised to incorporate OM Policy Update No. 03-21. These manual sections are revised to state that households entitled to either the Standard Utility Allowance (SUA) or the Basic Utility Allowance (BUA), must use the appropriate standard for their households; they no longer have the option of choosing between a standard or actual utility expense.

[MS 5490](#) is also revised to correct the headers.

[MS 5495](#) and [MS 5498](#) are revised to incorporate OM Policy Update No. 03-21 to revise the SUA and BUA amounts.

[MS 5800](#) is revised to change the maximum shelter deduction to \$378.

[MS 6430](#) is revised to remove the references to recipients "electing" to use the standard or actual expenses as this is no longer an option.

[MS 6700](#) is revised to state changes in the amount of gross monthly unearned income totaling more than \$50, except for changes in the K-TAP grant, must be reported within 10 days for non-SR households. This amount increased from \$25 to \$50 as a result of a federal regulation change.

[MS 6705](#) is revised to correct policy on simplified reporting with regards to a change in household size.

[MS 7000](#) is revised to incorporate OM Policy Update No. 03-21 regarding utility expenses.

[MS 7010](#) is revised to update policy on actual expenses.

[MS 7200](#) is revised to correct the headers and to remove the references to "option" for the SUA/BUA.

[MS 8200](#) is revised to incorporate OM Policy Update No. 00-25 which revised procedures on replaced EBT cards, and change the reference to Citibank to EBT Contractor.

## Volume VI

The [Table of Contents](#) is revised to change the title of [MS 2205](#) and to remove MS 3020 and MS 3550. It is further revised to add back [MS 3390](#) and [MS 3850](#). MS 3850 was inadvertently left out of OMTL #211, effective 8/1/98.

[MS 1240](#) and [MS 1245](#) are revised to remove the reference to OM Policy Update No. 01-08, as the procedures have previously been incorporated. MS 1245 is further revised to add a reference to OM [Volume II, MS 6765](#) for food stamps.

[MS 1500](#), [MS 1505](#) and [MS 1510](#) are revised to correct the headers.

[MS 1505](#) is further revised to correct the formatting and to correct the procedures for spot checks in SR and non-SR cases.

[MS 2200](#), [MS 2202](#), [MS 2205](#), [MS 2210](#) and [MS 2215](#) are revised to correct the headers.

[MS 2205](#) is further revised to change the title to "Ineligible Alien Students" and to further clarify procedural instructions.

[MS 3010](#), [MS 3040](#) and [MS 3045](#) are revised to correct the headers.

MS 3020 has been deleted, as vehicle information no longer applies to K-TAP and Food Stamp cases.

[MS 3390](#) is being added back in the handbook as it was erroneously removed.

[MS 3520](#) is revised to correct the headers and to revise procedures for households who are entitled to the SUA/BUA.

[MS 3530](#) and [MS 3540](#) are revised to correct the headers.

MS 3550 is deleted in its entirety.

[MS 4090](#), [MS 4100](#), [MS 4105](#) and [MS 4110](#) are revised to correct the headers.

[MS 4100](#) is further revised to clarify procedures for adjusting certification periods for SR cases.

[MS 4155](#) and [MS 4160](#) are revised to correct the headers.

[MS 4155](#) is further revised to add procedures for changes of certification periods in companion cases due to SR requirements. In addition, changes were made to correct the acronym FSOM to OM.

[MS 4420](#), [MS 4430](#), [MS 4440](#) and [MS 4450](#) are revised to correct the headers.

[MS 4420](#) is also revised to include requirements for SR households.

[MS 4440](#) is further revised to add restoration/supplemental to the case change segments.

[MS 4460](#), [MS 4470](#), [MS 4490](#), [MS 4492](#) and [MS 4495](#) are revised to correct the headers.

[MS 4460](#) is further revised to clarify procedures on reinstatement.

[MS 4490](#) is further revised to explain procedures for processing member add cases.

[MS 4500](#), [MS 4510](#) and [MS 4515](#) are revised to correct the headers.

[MS 4510](#) is further revised to update FS change requirements for SR cases and to remove vehicles as a resource. Effective 7/1/01, vehicles are no longer considered a resource.

[MS 5350](#) is revised to correct the headers and to clarify procedures for issuing restorations.

Cathy G. Mobley, Acting Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 255  
October 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions to Volume I and Volume IIIA

Volume I

The [Table of Contents](#) is revised to rename [MS 1845](#) to "K-TAP Installment Payments". The FAD/ERA subchapter is now [1880-1890](#). In addition, subchapter [1891](#)-1899, WIN, and MS 1891, WIN Reimbursement Overissuances, and [MS 1895](#), WIN Repayment, are added.

[MS 0130](#) is revised to state that requests for review of a subpoena are sent to the Office of Counsel Regional Attorney for the Region.

[MS 0571](#) is revised to remove instructions for hearing requests concerning the denial of replacement benefits and make formatting changes.

[MS 1500](#) is revised to add procedures for identifying simplified reporting household claims.

[MS 1505](#) is revised to change the reference to the Operation Support Branch (OSB) to the Nutrition Assistance and Accountability Branch (NAAB).

[MS 1506](#) is revised to include simplified reporting requirements as an item about which recipients are informed.

[MS 1509](#) is revised to change the reference from OSB to NAAB and to include procedures for the disposition of the PAFS-84 on simplified reporting cases.

[MS 1519](#) is revised to state that if a categorically eligible Food Stamp (FS) recipient who is not subject to simplified reporting requirements fails to report resources to the K-TAP or SSI worker, the individual also becomes ineligible for FS if these resources exceed FS resource limits.

[MS 1603](#) is revised to include an example of benefit reduction.

[MS 1607](#) is revised to state that if a household unintentionally fails to report a change in household circumstances, that it was required to report, it may result in an Inadvertent Household Error (IHE) claim.

[MS 1803](#) is revised to clarify that repayment is only sought from the caretaker relative who was a member or payee on the K-TAP case at the time of the overpayment. Repayment is never sought from the children of the case.

[MS 1806](#) is revised with minor grammatical corrections.

[MS 1830](#), [MS 1839](#), [MS 1845](#), [MS 1857](#), [MS 1860](#), [MS 1870](#), and [MS 1890](#) are revised to refer to the Nutrition Assistance and Accountability Branch (NAAB).

[MS 1830](#) is further revised to clarify procedures for claims involving hearings and appeals.

[MS 1839](#) is revised to clarify the collection procedures for claims attached to inactive K-TAP cases. In addition, procedures are added for situations when the adult member responsible for the claim moves from one case to another.

[MS 1842](#) is revised to address procedures for repayment agreements on active claims and lump sum payments on inactive claims. This MS is also revised to provide procedures if a recipient makes a lump sum payment on a case transferred to the Kentucky Claims (KCL) system.

[MS 1845](#) is further revised to change "cash installment" to "installment payments" and to refer all claims requesting this method of repayment to KCL via KCA.

[MS 1857](#) is further revised to change procedures that involve referral of underpayment claims to NAAB and instruct the claims worker to review the KCL system.

[MS 1870](#) is further revised to add instruction on collection of Kinship Care claims attached to inactive cases.

[MS 1885](#) is revised to include instructions after a FAD/ERA claim has been established.

[MS 1890](#) is further revised to state that a FAD/ERA overissuance cannot be repaid by benefit reduction and that FAD/ERA claims are transferred to the KCL system.

[MS 1891](#) and [MS 1895](#) are created to provide policy and procedures for Work Incentive (WIN) reimbursement claims.

[MS 1910](#) is revised to state that workers do not request verification of information for IEVS matches that are not considered verified upon receipt in food stamp cases that are subject to simplified reporting requirements.

[MS 1915](#) is revised to change OSB to NAAB and to include instructions on how to resolve IRS hits on food stamp cases that are considered simplified reporting (SR).

[MS 1925](#) is revised to include instructions on how to resolve KAMES matches on food stamp cases that are considered SR.

[MS 1930](#) is revised to include instructions on how to resolve IEVS discrepancies on food stamp cases that are considered SR and is revised to change OSB to NAAB.

[MS 1940](#) is revised to change the name in the address to Nutrition Assistance and Accountability Branch.

[MS 1941](#) is revised to include instructions on how to resolve KAMES matches on food stamp cases that are considered SR.

[MS 1944](#) is revised to include instructions on how to resolve Batch Matches at Recertification/reapplication on food stamp cases that are considered SR.

[MS 1946](#) is revised to include instructions on how to resolve SSN No Match hits on food stamp cases that are considered SR.

[MS 1947](#) is revised to include instructions on how to resolve Computer Match; Exceptions on food stamp cases that are considered SR; to change a reference from OSB to NAAB; and correct formatting.

[MS 2000](#), [2020](#), and [2075](#) are revised to incorporate OM Policy Update No. 02-23, Trafficking Victims Protection Act.

[MS 2005](#) is created to provide information concerning the Trafficking Victims Protection Act.

[MS 2010](#) is revised to incorporate OM Policy Update No. 02-25, Residency Requirements for Temporary Residents.

#### Volume IIIA

[MS 4230](#) is revised to correct a typographical error. Community service activities are not limited to public or private non-profit organizations or agencies.

[MS 4355](#) is revised to add that staff from Protection and Permanency and Targeted Assessment Project (TAP) workers can verify a domestic violence situation. In addition, DO NOT require an emergency protection order as verification for domestic violence, if other sources of verification are available.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 254  
October 1, 2003

To: All Field Staff  
Subject: Various Handbook Revisions

Volume II

[MS 2900](#) is revised to state that effective 10/1/03, eligibility for Food Stamp benefits is restored to all legal immigrant children under age 18, regardless of date of entry into United States (current law limits eligibility to children who were in the country on 8/22/96). Sponsor income will not be countable to the child. These changes are a result of the Farm Security and Rural Investment Act of 2002 (Farm Bill).

Use the following procedures to process affected cases:

All children that qualify under the new policy and have an application pending on September 30, 2003, will receive a full month's benefits for October, if eligible. The qualified alien children will be shown as ineligible for the month of application, September 2003, but eligible effective October 2003, when the application is processed.

FS applications for households in which some of the members are eligible on October 1, 2003, and other members are eligible prior to this date must have FS applications processed according to regular timeframes.

Eligibility and benefit amount for households with ineligible members will be determined by using the same application for September and October. Eligibility and benefit amount for September is determined by using the policy as it exists in September 2003. Apply the new policy to appropriate household members to determine FS eligibility and benefit amount for October 2003.

Applications

**Note: Use the following workarounds only for FS applications that are dated September 2003 and recertifications effective October 2003 to insure all affected individuals receive benefits beginning October 1, 2003.**

Example 1: If a household of 5 applies in September 2003 and 3 of the members are eligible and 2 become eligible in October 2003, the application is processed for the eligible members. Enter the "IA" alien code for any ineligible alien children in the case. The day after approving the case, add the ineligible children and enter "EA" alien code. If the system uploads a "Y" for the question, "Is this case eligible

for a supplemental?", change this to "N". If any benefits are owed to the household, manually issue the supplemental.

Example 2: If a household applies for FS benefits in September 2003 and all the members are ineligible for the application month (September), but are eligible for the ongoing month (October), enter "EA" for alien "verify source"; answer "Y" to the question, "DID HE/SHE RECEIVE FS IN ANOTHER STATE?" with a "Y" for September and "N" for October.

#### Recertifications

If a FS household recertifies in September 2003 effective for October, and a member(s) becomes eligible in October, answer "EA" for those alien children whose eligibility starts October 2003 and ensure that the "supplemental" question is answered "N".

[MS 3000](#) is revised to include noncitizens under the age of 18 as individual who are exempt from deeming provisions, if otherwise eligible for FS.

[MS 3060](#) is revised to state that sponsor income is not countable to aliens under the age of 18.

[MS 8110](#) is revised to state that form PAFS-2, Application Letter or Notice of Expiration, should not be sent to households that meet Simplified Reporting (SR) requirements.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 253  
August 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions

Volume I

[MS 0506](#) is revised to include new Quality Control procedures for field staff and to delete cross-reference to OM Pol. Upd. No. 03-07, MS 99610, 1/15/03.

[MS 0512](#) is revised to remove the reference to OM Pol. Upd. No. 03-07, MS 99610, 1/15/03. This policy update is incorporated into the handbook and is now obsolete.

[MS 1536](#) is revised to provide the new fraud investigation timeframes for the Office of the Attorney General (OAG).

Volume II

[MS 2090](#), [MS 2100](#) and [MS 2350](#) are revised to clarify that residents of institutions that meet the requirements for funding under Title XIX of the Public Service Act, or meet the criteria which would make it eligible to receive this funding, are eligible for food stamp benefits.

[MS 2090](#) and [MS 2100](#) are further revised to correct the headers.

[MS 2350](#) is also revised to clarify policy on determining whether or not an individual is a criminal.

[MS 2370](#) is revised to clarify procedures for non-compliance with other programs. MS 2370 is further revised to state that if a FS member is exempt from work registration and does not cooperate with a KWP requirement that a 310 penalty is imposed instead of a 316.

[MS 2900](#) is revised to include lawful permanent residents who can be credited with 40 quarters of work are eligible indefinitely.

[MS 2905](#) is revised to add an example of what a signed statement verifying citizenship should state. MS 2905 is further revised to change INS to Bureau of Citizenship and Immigration Services (BCIS). This revision is made because the Immigration and Naturalization Service (INS) is now called the Bureau of Citizenship and Immigration Services (BCIS).

[MS 2940](#) is revised to change INS to the Bureau of Citizenship and Immigration Services (BCIS). MS 2940 is further revised to remove steps for notifying BCIS of illegal aliens, as this no longer applies.

[MS 5220](#) is revised to clarify how disqualifications are considered in regard to countable K-TAP income. MS 5220 is further revised to remove references to 310 penalties in regard to K-TAP income since this has been incorporated into 5220 B Unearned Income. MS 5220 is further revised to include Ineligible ABAWDS Income to be considered as countable income and to reformat.

[MS 6707](#) is revised to clarify policy with regards to SR households reporting a change of address to a companion caseworker. When a SR recipient reports a change of address, we can not request that they verify household composition or shelter expenses. We can only act on the change that they have voluntarily reported; in this situation, only the change of address. MS 6707 is further revised to state that when a SR household voluntarily reports a change that is a non-required reportable change, and if they fail to return verification, KAMES will take appropriate action. MS 6707 is also revised to change INS to Bureau of Citizenship and Immigration Services (BCIS).

[MS 6750](#), [MS 6765](#) and [MS 7040](#) are revised to remove the requirement of verifying household composition when an address change is made, as this is no longer required. It is also only required to verify shelter expenses for non-SR households reporting an address change or SR households who, when reporting an address change, also voluntarily report a change in shelter expenses.

[MS 6750](#) and [MS 6765](#) are further revised to correct the headers.

[MS 6760](#), [MS 6770](#) and [MS 6780](#) are revised to correct the headers. MS 6760 is further revised to clarify policy for acting on changes which decrease benefits for non-SR and SR households.

[MS 6762](#) is revised to state that workers are to verify household composition when adding or deleting household members for non-SR cases or for an SR household **if** they have voluntarily reported a change in household composition.

[MS 7030](#) is revised to state that entitlement to the SUA/BUA is to be reverified at recertification. If recipients are entitled to use the SUA/BUA, they **MUST** use it. They no longer have the option of not using the standard if they are entitled to it.

## Volume IIA

[MS 1750](#) is revised to incorporate OM Pol. Upd. No. 03-06 and to clarify 316 disqualification and 310 penalty procedures. MS 1750 is further revised to correct the headers.

[MS 2050](#) is revised to remove the cross-reference to OM Pol. Upd. No. 03-06, as it was previously incorporated in this section.

[MS 2200](#) is revised to clarify 316 and 310 penalty procedures. The revision explains when to impose, cure or change a 316 disqualification or a 310 penalty based on the member's work registration status. MS 2200 is further revised to incorporate OM Pol. Upd. No. 03-06, concerning 316 disqualification procedures.

[MS 2250](#) is revised to incorporate OM Pol. Upd. No. 03-06, concerning refusal to provide sufficient information in regard to Voluntary Quit or reduction in work

hours. MS 2250 is further revised to clarify that if a change is reported to a companion caseworker in regard to a loss of income to a household, the FS worker can act on the change.

[MS 2300](#) is revised to remove the cross-reference to OM Pol. Upd. No. 03-06, because it was previously incorporated in this section. MS 2300 is further revised to correct the headers.

[MS 2350](#) is revised to correct the headers.

[MS 2500](#) is revised to incorporate OM Pol. Upd. No. 03-06 and to clarify 316 disqualification procedures.

[MS 5700](#) is revised to state that a principal caseworker can change ABAWD tracking months.

[MS 8700](#) is revised to change Program Assistance and Resource Branch to Nutrition Assistance and Accountability Branch.

## Volume VI

[MS 5500](#) is revised to incorporate OM Pol. Upd. No. 03-06 concerning refusal to provide sufficient information to make a determination of employment status.

Dietra Paris, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 252  
August 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions to Volume III and Volume IIIA

Volume III

[MS 2014](#) is revised to state the 24-month count applies to FAD ineligibility.

Volume IIIA

References to the Department for Social Insurance, Division of Field Services, are changed to the Cabinet for Families and Children, Department for Community Based Services, and the page headers are changed accordingly.

The [Table of Contents](#) is revised to delete MS 4250 and MS 4510; to add MS 4035, Department of Vocational Rehabilitation, and to change MS 4060 to Local Work Force Investment Areas, MS 4260 to Wage Subsidy Program (WSP), MS 4505 to Assessment Procedures, MS 4560 to Challenges/Concerns to Component Participation or Employment and MS 5270 to Referral/Authorization for CCAP. MS 5355, Covered Items/Services, is added.

[MS 4020](#) is revised to change DSI to Family Support, PIC to WIA, HOBOS to e-mail, Central Office to Quality Central, and KW-217 to PA-117. Also, it is revised to indicate that Resource Directory changes are sent to the Family Self-Sufficiency Branch.

[MS 4030](#) is revised to remove the Department for Adult Education and Literacy.

[MS 4035](#) is created to provide information concerning the Department of Vocational Rehabilitation.

[MS 4040](#) is revised to state if a QP fails to keep an appointment with DES, the "W" case is discontinued.

MS 4060 is revised to change Service Delivery Areas (SDA) to Local Workforce Investment Areas (LWIA), Job Training Partnership Act (JTPA) to Workforce Investment Act (WIA), Private Industry Council (PIC) to Workforce Investment Board (WIB), and DSI to Family Support.

MS 4120 is revised to spell out the word "disqualification".

MS 4130 is revised to state that changes in the Resource Directory are submitted to the Family Self-Sufficiency Branch (FSSB). This section is also revised to change

Central Office to Quality Central, and JTPA to WIA. Also, it is revised to state that referrals to Vocational Rehabilitation are not done as service referrals.

MS 4210 is revised to add a reference to Volume IIIA, MS 4385 for Vocational Training and instructions for entering employment from work study.

MS 4220 is revised to change On-the-Job Training (OJT) to Wage Subsidy Program (WSP).

MS 4230 is revised to incorporate OM Policy Update No. 01-15, Universal Participation. Community Service is defined as any voluntary activity in the community. Community Service may include individuals caring for an ill or incapacitated individual out of the home. The activity must be entered on STEP as a Community Service component and tracked monthly.

MS 4240 is revised to include instructions concerning capturing the hours of participation for this activity.

MS 4250 is deleted as it is unnecessary.

MS 4260 is revised to state that "OJT" is never entered on STEP as a placement.

MS 4270 is revised to incorporate OM Policy Update No. 01-15. Also it is revised to change DSI to Family Support and DSS to Division of Child Care (DCC).

MS 4280, MS 4310 and MS 4320 are revised to change DSI to Family Support. Also, MS 4320 is revised to change Central Office to Quality Central.

MS 4310 and MS 4330 are revised to correct the headers.

MS 4330 is revised to change DSI to Family Support.

MS 4335 is revised to change Department for Social Insurance to Department for Community Based Services.

MS 4355 is revised to add a reference to Volume III, MS 2003.

MS 4365 and MS 4375 are revised to change DSI to Family Support. Also, MS 4365 is revised to change form PA-74 to form CFS-1A, Informed Consent and Release of Information and Records Supplement. MS 4375 is also revised to change OJT to WSP.

MS 4385 is revised to further explain that 20 hours of a COM or WEP component or employment is required in addition to the JSE component for participants who have a child under the age of 6 and who have reached their 24th month of post-secondary attendance in vocational training. Also, MS 4385 is revised to state that \$1 of income must be shown on KAMES for Work Study income.

MS 4410 is revised to eliminate duplication.

MS 4415 is deleted to incorporate OM Policy Update 03-4, Supportive Services.

MS 4430 is revised to emphasize that gaining insight into the participant's situation includes assessing for potential challenges/concerns such as domestic violence, substance abuse, learning disabilities, etc.

MS 4500 and MS 4505 are revised to clarify assessment procedures. Also, MS 4505 is renamed "Assessment Procedures".

MS 4510 is deleted to eliminate duplication.

MS 4520, MS 4540 and MS 4550 are revised to emphasize that the assessment needs to include the identification of potential challenges/concerns such as domestic violence, substance abuse, learning disabilities, etc.

MS 4560 is revised to clarify policy and to emphasize that assessment for potential physical or mental disabilities including learning disabilities should be explored. Instructions concerning the use of forms KW-200, Kentucky Works Assessment Form, and KW-200A, Assessment Supplements, are included. Also, CCAP is defined as Child Care Assistance Program.

MS 4630 is revised to change DSI to Family Support, OWP to WEP, and OJT to Wage Subsidy (WSP).

MS 4650 is revised to reflect that 10 hours of JSE is shown on STEP to capture the continuing education countable hours. In addition, the information concerning work study is revised to state work study is entered on KAMES only.

MS 4700 is revised to change DCBS to Family Support and OJT to Wage Subsidy Program (WSP).

MS 4720 is revised to further explain the MRT process and to incorporate OM Policy Update 01-11, MRT KWP Good Cause Decisions. MRT can respond in one of three ways to a request for good cause for nonparticipation in the Kentucky Works Program: incapacitated, conditionally incapacitated or not incapacitated. Instructions are given on what to do if a client is found conditionally incapacitated. Also, MS 4720 is revised to state that if an individual presents a new doctor's statement after the MRT has denied good cause and the doctor's statement indicates a worsening of the individual's condition. Also, the reference to form PAFS-15 is changed to form MRT-15, Authorization to Disclose Information to the Cabinet for Families and Children.

MS 4750 is revised to delete the reference to an individual being sanctioned for failing to immunize a child. Also, OM Pol. Upd. 3-16, MA KWP Disqualification, is incorporated.

MS 4770 is revised to correct formatting and to incorporate OM Pol. Upd. 3-16.

MS 4800 is revised to state that the qualifying parent in an UP case must be available for full-time employment.

MS 5250 is revised to state that if the household consists of two parents and one parent is participating in the Kentucky Works Program and the other parent is unable to care for the children, with good cause verified by a doctor's statement, child care payments are made through CCAP.

MS 5260 is revised to state that if a parent requests child care due to his/her belief that it is not in the best interest to leave the child in the care of the other parent in the home, child care assistance can be provided. Accept the client's statement unless questionable.

MS 5270 is revised to delete the information concerning Welfare-to-Work (WtW). Also, the title changed to Referral/Authorization for CCAP, form PA-85 is changed to DCC-85, Authorization for Child Care Assistance, and DCBS is changed to Family Support. Form PAFS-86, Referral for Child Care Assistance, is added for non K-TAP child care referrals.

MS 5300, MS 5310, MS 5350, MS 5375 and MS 5385 are revised to incorporate OM Policy Update 03-4, Supportive Services.

MS 5350 is also revised to change OJT to Wage Subsidy Program or WSP.

MS 5355 is created to provide a list of items/services that can be purchased with supportive services funds.

MS 5360 is revised to reiterate that payment is not made for items that were not listed originally on the PA-32 by the worker.

MS 5365 is revised to delete the word "including" before GED test fees.

MS 5375 is revised to state that vocational schools are utilized if accessible for vehicle repairs.

MS 5385 is revised to reflect new procedures for forms PA-32.

MS 5390 is revised to reflect new amounts and procedures for paying state nursing fees and incorporate OM Pol. Upd. 02-08, 6/1/02. Additionally, MS 5390 is revised to change the address to which forms PA-32, requesting nursing fee payments are sent. The new contact person is Ruby King.

## Volume VI

MS 3390 is deleted to eliminate duplication.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Errata to:  
Operation Manual  
Transmittal Letter No. 251  
June 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions

Volume III

Page 2 of [MS 2013](#), Family Alternatives Diversion (FAD), was omitted from [OMTL #251](#). Due to this omission, several pages are reissued to replace the ones originally issued.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 251  
June 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions

Volume I

[MS 0179](#) is revised to add the case weight of 1.5 for Work Incentive (WIN) cases and to remove the reference to Qualified Individuals Group 2 (QI2) as the program ended 1/1/03.

[MS 0183](#) is revised to delete function codes for Employment Retention and Welfare-to-Work activities and to add a function code "ZAG4" for Work Incentive (WIN).

[MS 2049](#) is revised to refer to liquid resources.

Volume III

The [Table of Contents](#) is revised to add [MS 2003](#), Extension of 60-Month Limit and to delete MS 2044, MS 2385, MS 2425, MS 2430, MS 2435, MS 2460, MS 2470 and MS 2480.

[MS 2000](#) is revised to delete definitions relating to nonliquid resources. The definition for excluded resource is changed to list all nonliquid resources as excluded. The definition for liquid assets is changed to liquid resources and includes cash, savings, checking, stocks, bonds, mutual funds, certificates of deposit, and money market accounts.

[MS 2002](#) is revised to incorporate OM Policy Update 01-17, Procedures for K-TAP Cases Nearing 60-month Time Limit. Cases nearing the 60-month limit are to be reviewed two months prior to the 60<sup>th</sup> month. The review consists of checking the KAMES tracking screens to determine that the number of months of receipt is correct; determining if the case meets any of the extension criteria; conducting a review of the case by the PRO team; and determining ongoing eligibility for Medicaid and Food Stamps. The family that loses K-TAP due to the 60-month limit is not eligible for Family Diversion Assistance (FAD). The family may be eligible for Work Incentive (WIN) reimbursements if the criteria is met. In addition, it is clarified that if an adult was removed from the K-TAP case due to a sanction for noncooperation with child support activities, the sanctioned months would be counted as months of receipt toward the 60-month limit. Also, information is added regarding how to consider benefits received in another state if that state has a waiver.

[MS 2003](#) is created to provide policy and procedure concerning the extension of the 60-month limit for receipt of K-TAP. This incorporates OM Policy Update 01-12, 20% Hardship Groups.

[MS 2004](#) is revised to delete the reference to immunizations and change Family Services Worker to Social Services Worker.

[MS 2013](#) is revised to state that FAD is now funded through TANF and to emphasize that the short-term needs are a result of an unexpected change in circumstances. In addition, when a FAD client needs childcare, a referral to the Child Care Assistance Program (CCAP) is made using form PAFS-86, Referral for Child Care Assistance.

[MS 2014](#) is revised to state that FAD applicants are referred to the Division of Service Regions, Child Support Section, or the contracting official, if appropriate.

[MS 2015](#) is revised to state that when a FAD payment is denied, form PA-105, Notice of Eligibility or Ineligibility, is manually sent to the client. It is also revised to incorporate OM Policy Update No. 03-05, FAD Revisions.

[MS 2017](#) is revised to state that when an applicant is misidentified as a NA Food Stamp household, the worker completes the application to the extent possible. If the worker cannot complete the K-TAP application, the worker gives the applicant the option to stay to complete the K-TAP application with another worker or to make an appointment to complete the K-TAP application. If the applicant chooses to make an appointment, the appointment letter must specify not only the time and date of the appointment but also all the information the applicant will need to complete the application and is given to the applicant before he/she leaves the office.

[MS 2025](#) is revised to change Eligibility Services Branch to Family Self-Sufficiency Branch.

[MS 2035](#) is revised to remove material specific to the orientation process, as this process should not delay the completion of the application. In addition, the section now indicates that Kinship Care cases are recertified every 12 months just like K-TAP cases.

[MS 2042](#) is revised to add that a declaration of citizenship is not required for any person in the household that is not applying for benefits. Also, the reference to immunization is deleted. The name of form CS-333 is changed to Facts About the Child Support Program for K-TAP and Kinship Care Recipients.

MS 2044 is deleted and the information is being moved to Volume IIIA.

[MS 2070](#) is revised to add a reference to [Volume I, MS 0562](#), Exceptions to Timely Notice Requirement – PA Programs. In addition, for recertifications, which result in discontinuance due to “no show”, a reference to [Volume III, MS 2078](#), Determination of MA Eligibility, for instruction concerning the determination of ongoing MA is added. In addition, OM Policy Update No. 01-02, Continued Medical Eligibility for No Show K-TAP Recerts; and OM Policy Update No. 02-12, Cooperative Review of Eligibility (CORE) are incorporated.

[MS 2078](#) is revised to incorporate OM Policy Update 01-02, Continued Medical Eligibility for No Show K-TAP Recerts, which provided instructions for continuing Medicaid eligibility after a case is discontinued for reason code 535, failing to show for recertification.

[MS 2210](#) is revised to clarify that both parents are included on a K-TAP unemployment or incapacity case if they are married or paternity is established unless the parent is technically excluded.

[MS 2215](#) is revised to state a child living with a minor parent who receives Kinship Care is technically excluded from the K-TAP case.

[MS 2250](#) is revised to state a minor parent, who is living with his/her parent, may apply for assistance for his/herself and the child if his/her parent does not apply.

[MS 2316](#) is revised to state that the school attendance policy applies to SSI teens if the SSI child's existence in the home is the reason that the specified relative is eligible for K-TAP.

[MS 2318](#) is revised to change Program Assistance and Resource Branch to Family Self-Sufficiency Branch.

[MS 2325](#) is revised to add a reference to Vol. IIIA, MS 4355.

[MS 2327](#) is revised to change the reference to KW-202TP to PA-202TP, Teen Parent Personal Responsibility Plan.

[MS 2329](#) is revised to state the relationship of the child to the relative applying for assistance must be verified.

[MS 2330](#) is revised to change the terminology of Administrative Establishment of Paternity to Administrative Establishment of Relationship. This is to conform to the KAR.

[MS 2334](#) is revised to correct the reference from DSI to DCBS.

[MS 2336](#) is revised to refer to the correct volume for the Aliens chapter. It is now found in [Volume I, MS 2000](#)-2199.

[MS 2367](#) is revised to clarify the definition of voluntary absence and add a reference to [MS 2355](#), Divorce, for policy concerning joint custody. Also, the examples in item C. are updated and Program 35 is eliminated as verification for receipt of PA programs.

[MS 2377](#) is revised to state if the request for an incapacity determination is needed for a Kentucky Works Program (KWP) participant, annotate form PA-601T, Referral for Medical Determination, with Kentucky Works as the reason for the referral. This incorporates OM Policy Update 01-11, MRT KWP Good Cause Decisions, and OM Policy Update 01-16, Medical Review Team Expansion.

[MS 2379](#) is revised to incorporate OM Policy Updates 01-11 and 01-16. Also, it is revised to add if the request for an incapacity determination is sent to the Medical



Review Team (MRT) and the case is subsequently denied or discontinued, a PAFS-628 is sent to MRT stating that the determination is no longer needed.

MS 2381 is revised to state that receipt of SSI based on "Presumptive Eligibility" qualifies for a field determination.

MS 2383 and MS 2387 are revised to incorporate OM Policy Update No. 01-16.

MS 2385 is deleted with the incorporation of OM Policy Update No. 01-16.

MS 2400, MS 2408, MS 2410, MS 2420, MS 2450 and MS 2490 are revised to incorporate OM Policy Update 01-13, K-TAP, Family and AFDC-Related MA Policy Changes. MS 2490's title is changed to Transferred Liquid Resources.

MS 2430, MS 2435, MS 2460, MS 2470, and MS 2480 are deleted with the incorporation of OM Policy Update No. 01-13.

MS 2510 is revised to add loan assistance through the Farm Service Agency and income from Americorps that is paid for education, childcare and transportation are excluded income. Americorps income that is paid as a living expense intended to cover basic needs is counted as earned income. Also, Veteran's Benefits to natural children of women Vietnam Veterans are excluded as income per OM Policy Update No. 03-11, and payments from the Tobacco Settlement are excluded as income.

MS 2520 is revised to include a clarification that the two-month exclusion begins with the second month of the employment. In addition, it is clarified that if a client has one job for which the 2-month exclusion is being used and gets a second job, the \$30 and 1/3 disregard can be applied to the income of the second job.

MS 2610 is revised to clarify that child support income is only considered in the gross income test. If the gross income including the child support income does not exceed the limit, it is not considered in the application month and ongoing benefit calculations.

MS 2618 is revised to incorporate OM Policy Update No. 01-13, K-TAP, Family and AFDC-Related MA Policy Changes.

MS 2630 is revised to add that lump sum COLA payments received as a result of an error in calculations by the Social Security Administration are excluded from consideration. Additionally, the cross-reference to OM Policy Update No. 01-18, State Supplementation Standards, is deleted.

MS 3080 is revised to add that the client must agree to cooperate with Medical Support Enforcement (MSE) to continue to receive Family Medicaid.

MS 3710 is obsoleted with the issuance of OM Policy Update No. 03-04, Active K-TAP Work Incentive Bonus.

MS 3712 is revised to remove the benefit type of "W" and replace it with "R" or "N" for work bonuses issued by special circumstance on KAMES. Also, if a work bonus is denied, form PA-105 must be manually sent to the client to inform him/her of the denial and his/her rights to a fair hearing. The OM Policy Update No. 03-19, Work

Incentive (WIN) Reimbursements, is incorporated to provide procedures for the phase-out of the post K-TAP bonuses.

MS 3750, MS 3760 and MS 3780 are revised to incorporate OM Policy Update No. 03-03, Relocation Assistance Program.

MS 3800, MS 3810, MS 3820, MS 3825 and MS 3830 are obsoleted with the issuance of OM Policy Update No. 03-19.

MS 3850 and MS 3860 are created to incorporate OM Policy Update No. 03-19.

MS 5000, MS 5010, MS 5020, MS 5030, MS 5050, MS 5060, MS 5070, MS 5080, MS 5090 and MS 5100 are now located in the Kinship Care Program Chapter, subchapter Kinship Care.

MS 5030 is revised to incorporate OM Policy Update No. 02-19, Kinship Care.

MS 5040 is deleted to correspond to current Kinship Care policy used by the Division of Protection and Permanency.

MS 5090 is revised to add the clarification that if Kinship Care is approved for a child who received K-TAP in the Kinship Care application month, the Kinship Care payment for the application month is prorated from the date of application and reduced by the child's share of K-TAP received in that month.

MS 5100 is revised to incorporate OM Policy Update No. 02-19.

#### Volume IV

The Table of Contents is revised to change the name of MS 2420 to Administrative Establishment of Relationship.

MS 1050, MS 2400, MS 2410, MS 2420 and MS 2430 are revised to change the terminology of paternity to relationship and AFDC Related MA to Family MA.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Errata To:  
Operation Manual  
Transmittal Letter No. 250  
April 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions

The following pages are reissued for further clarification.

Volume II

[MS 5050](#) is revised to remove resources of sponsors and their spouses deemed to sponsored aliens as these are now excluded. It is further revised for formatting.

[MS 5060](#) is revised to remove the reference to estates that cannot be sub-divided or are in litigation as these are now excluded.

[MS 5650](#) is revised to further clarify procedures for calculating semi-monthly income. It is further revised as the result of suggestions from field staff to simplify policy and procedures for calculating and procedures for entering child support income.

Volume VI

[MS 3240](#) is revised to revise procedures for entering child support income.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 250  
April 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions

The following handbook revisions are being made as the result of Farm Bill implementations and to clarify policy.

Volume I

MS 1526 and 1595 are revised for formatting.

MS 1572 is revised to correct the sub-heading and for formatting.

MS 2000 is revised to remove the pen and ink cross-reference to OM Pol. Upd. 03-09 as it does not apply to this manual section.

Volume II

The Table of Contents is revised to change the title of MS 3160.

MS 2900 is revised to incorporate OM. Pol. Upd. No. 03-09 which restores eligibility to legal aliens that have lived in the United States 5 years or longer in legal qualified status.

The reference to Errata to OM Pol. Upd. 01-08 is removed, as it does not apply to this manual section.

MS 3000 is revised to include the deeming requirements apply only to immigrants whose sponsor has signed a legally binding affidavit of support on or after December 19, 1997 and to add form I-864A. MS 3000 is further revised to correct the headers.

MS 3060 is revised to include if sponsor dies as a reason deeming will discontinue and to remove the references to resources as this no longer applies.

MS 3160, 3170, 5045 and 5210 are revised to change the reference to Employment Retention (ER) services to Work Incentive Reimbursement (WIN) as WIN replaces ER effective 4/1/03.

MS 5040 and MS 5045 are revised to clarify policy regarding excluded resources as a result of the Farm Bill. MS 5040 is also revised to correct the headers.

MS 5050 and 5060 are revised to clarify policy on countable resources as a result of the Farm Bill.

MS 5210 is revised to clarify policy regarding excluded income as a result of the Farm Bill. It is also revised to add that benefits for Children of Women Vietnam Veterans are excluded and to revise the Family Alternative Diversion (FAD) payment amount.

MS 5650 is revised to give detailed information and examples on how to count semi-monthly income for stable and fluctuating wages. It is further revised to correct the headers and to clarify consideration of child support income.

MS 5820 is revised to include rounding for semi-monthly income and to correct the headers.

#### Volume IIA

MS 3050 is revised to reflect the new ABAWD counties effective 4/03.

#### Volume VI

MS 3240 is revised to clarify entry of child support income.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 249  
March 1, 2003

To: All Field Staff

Subject: Various Handbook Revisions

Volume I

MS 0651 is revised to incorporate Errata to OM Pol. Upd. No. 01-08 concerning enumeration procedures. MS 0651 is further revised to cross reference MS 0656 for procedures on entering a SSN for newborns.

MS 0653 is revised to incorporate Errata to OM Pol. Upd. No. 01-08 concerning enumeration procedures.

MS 1500 and 1515 are revised to incorporate OM Pol. Upd. No. 02-26 and its Errata which give procedures for when an overpayment of benefits is discovered.

MS 1500, 1512, 1518, 1526, 1560, 1563, 1566, 1567, 1572, 1581, 1584, 1587, 1590, 1621, 1627, 1651 and 1660 are revised to change the references to the Operations Support Branch (OSB), the Accounts Management Branch (AMB), and the Program Assistance and Resource Branch (PARB) to the Nutrition Assistance and Accountability Branch (NAAB).

MS 1526 is also revised to correct formatting.

MS 1536 and 1538 are revised as the result of a departmental policy review to correct timeframes for the claims process and to correct formatting.

MS 1566-1567 is revised to combine MS 1566 and 1567 as one manual section – 1566. It is further revised for clarity.

MS 1572-1575 is further revised for clarity on procedures for active cases – new claims and inactive cases – new claims.

MS 1581 is further revised for clarity on procedures of payments received in the local office.

MS 1587 is revised to state what action is taken on a pending claim when the recipient moves out-of-state. MS 1587 is further revised to clarify that the established claim is entered KCA. If the FS case is discontinued, it is automatically transferred to the KCL system.

MS 1595 is revised to further clarify policy regarding termination of food stamp claims.

MS 1602 is revised to incorporate OM Pol. Upd. No. 02-26 and its Errata which states that the date the overpayment is identified is the discovery date; enter this date in the discovery date field on KCA at the time the potential overpayment is being entered on KCA. It is further revised to correct formatting.

MS 1621 is also revised to clarify policy on food stamp repayment methods. It is further revised to remove the reference to Treasury Collection Program (TCP).

MS 1627 is also revised to insert the word "economic" in B and to remove "Offending person left the home" as a reason for compromising claims.

MS 1648 is revised to clarify policy on food stamp restoration methods.

## Volume II

The Table of Contents, page 6, is revised to add manual section 6707 "SR-Acting on Changes".

MS 2000 is revised to add "authorized" to "representative" and remove the reference to OM Pol. Upd. No. 02-03 as it is obsolete.

MS 2370 is revised to incorporate OM Pol. Upd. No. 01-20 regarding 310 penalties.

MS 2900 is revised to add the statement identifying U.S. territories and possessions. It is further revised to incorporate and remove the reference to the Errata to OM Pol. Upd. No. 01-08.

MS 2910 is revised to remove the reference to form G-641 "Application for Verification of Information from INS" and replace it with form G-845S "Document Verification Request". It is further revised to incorporate Errata to OM Pol. Upd. No. 01-08 regarding verification of alien status.

MS 2910, page 3, is revised to alphabetize the formatting.

MS 2915 is revised to change the reference to form G-845 to G-845S "Document Verification Request".

MS 2920 is revised to incorporate OM Pol. Upd. No. 01-08 regarding alien income and resources. It is further revised to correct the headers.

MS 2940 is revised to correct the headers, and sub-heading B is deleted to comply with FNS policy which now states that the agency is not to contact the INS office in reference to illegal aliens.

MS 3070 is revised to incorporate OM Pol. Upd. No. 01-08 regarding verification of alien status. It is further revised to correct the headers.

MS 3100 is revised to incorporate OM Pol. Upd. No. 01-20 regarding 310 penalties which state non-compliance with SSI no longer results in a 310 penalty to the food stamp case. MS 3100 is further revised to include that households containing a drug felon are not considered categorically eligible and to correct the headers.

MS 3110-3120 is revised to correct the headers.

MS 3160 is revised to state that if the household contains any member that is convicted of a drug-related felony, the household is not considered categorically eligible. This section is also revised to correct the formatting.

MS 5040 and 5050 are revised to state that if the cash value of an excluded type of plan is rolled over into an IRA, the cash value loses its exclusion and becomes a countable resource. MS 5040 is further revised to remove the reference to OM Pol. Upd. No. 01-14 as it is already obsolete.

MS 5220 is revised to change the reference to JTPA to WIA. It is further revised to remove the reference to OM Pol. Upd. No. 00-08 as it is obsolete. MS 5220 is also revised to incorporate OM Pol. Upd. No. 01-20 regarding 310 penalties, and to reflect current policy in the way Kinship Care payments are considered in Food Stamp cases. MS 5220 is further revised to remove the reference to DEFRA payments.

MS 5320 is revised to further clarify how to count business deductions. This revision is made as a result of a FNS clarification.

MS 5460 and 5800 are revised to reflect the current maximum shelter deduction amount of \$367.

MS 5470 is being revised to further clarify procedures when considering property tax and homeowner's insurance when they are included in the mortgage payment by escrow, and to correct the headers. MS 5470 is further revised to remove the reference to "first and/or second mortgages".

MS 5480-5485 is revised to correct the headers.

MS 5498 is revised to allow a telephone as one of the two billed utility expenses to be eligible for the BUA.

MS 5500 is revised to clarify policy regarding treatment of utility expenses.

MS 5520 is revised to incorporate OM Pol. Upd. No. 01-08 regarding providing social security numbers. It is further revised to correct the headers.

MS 5650 is revised to change Division of Child Support Enforcement to Division of Child Support. MS 5650 is further revised to incorporate new procedures for considering child support income and remove the reference to non-DEFRA child support.

MS 5650 and 5660 are revised to further clarify how to calculate wages when employees are covered by a contract that stipulates a certain annual amount, and when employees do not have a contract that stipulates an annual amount, but are paid strictly on an hourly or piecework basis. These sections are further revised to correct the headers.

MS 5670-5680 are revised to correct the headers.

MS 6103 and MS 6107 are revised to clarify joint processing procedures regarding matching end certification dates. They are further revised to correct the headers.



MS 6105 is revised to correct the headers.

MS 6210 is revised to remove the reference to scheduling concurrent PA and FS recertifications.

MS 6320 is revised to add form FSET-101 to the list of forms as it replaces the now obsoleted form FS-562 and to add FS-8 to the list of forms to be provided during the scope of the interview.

MS 6400-6410, 6500-6510, 6520 and 6530 are revised to incorporate and remove the reference to OM Pol. Upd. No. 02-09 regarding the 30-60 day timeframe for applications and recertifications.

MS 6460 is revised to clarify policy on assigning a certification period for expedited services.

MS 6510 is further revised to clarify policy regarding criteria for timely recertification.

MS 6520 is further revised to correct the formatting.

MS 6600 is revised to clarify policy on assigning certification periods.

MS 6610 is revised to clarify policy regarding shortening certification periods.

MS 6700 is revised to reflect that ABAWDs living in waiver counties are required to report when their hours are reduced to below 20 per week.

MS 6705 is revised to add the clause “and is subject to ABAWD requirements” to any member, age 18 through 49, who works. It is further revised to correct gross monthly income limit amounts for each household size and to clarify reporting procedures in regards to the gross monthly income chart.

MS 6707 is added as a new manual section to include more information about acting on changes for Simplified Reporting (SR) households.

MS 7010 is revised to incorporate OM Pol. Upd. No. 01-08 regarding providing social security numbers, and for page formatting.

MS 8110 is revised to further clarify policy regarding timely usage of food stamp benefits.

MS 8120 is revised due to recent changes in federal regulations authorizing EBT retailers to debit accounts when POS malfunctions occur, and to change the Branch name.

MS 8140 is revised to update the list of states that issue benefits by EBT. This revision is made at the request of field staff.

The Table of Contents is revised to remove MS 7000 through MS 7100 referencing the Community Service Program as this has been phased out.

MS 1550 is revised to reflect that form FSET-101 is used for the now obsoleted form FS-562. This section is also revised to reference the Division of Family Support in place of PARB .

MS 1650 is revised to correct the headers.

MS 1700 is revised to reflect that form FSET-101 is used for the now obsoleted form FS-562. It is further revised to correct the headers.

MS 2050 is revised to clarify reduction of work hours to less than 30 per week or equivalent to minimum wage multiplied by 30 hours. MS 2050 is further revised to incorporate OM Pol. Upd. No. 02-29 pertaining to policy regarding work registration and voluntary quit.

MS 2150 is revised to add "lack of adequate childcare for children between age 6 and 12" as a good cause for non-compliance.

MS 2200 is revised to incorporate OM Pol. Upd. No. 01-20 regarding 310 penalties.

MS 2250 is revised to change voluntary quit hours from 20 to 30. It is further revised to show reduction of work hours to less than the equivalent of minimum wage multiplied by 30 hours per week as voluntary quit.

MS 2300 is revised to change bona fide offer of employment from 20 hours to 30 hours for leaving employment and to change the federal minimum wage multiplied by 20 to 30 for leaving employment. MS 2300 is further revised to add "lack of adequate childcare for children between the ages of 6 and 12", as a good cause reason for leaving employment.

MS 2250 and 2300 are further revised to incorporate OM Pol. Upd. No. 02-29 pertaining to policy regarding work registration and voluntary quit. These sections are also revised to correct the headers. It is further revised to show a member must have work equivalent to minimum wage multiplied by 30 hours per week, to end work-related disqualifications.

MS 2500 is revised to remove the reference to OM Pol. Upd. No. 02-29 as this manual section is erroneously listed.

MS 5600 is revised to reflect that ABAWD reporting requirements still apply to SR households.

## Volume VI

MS 3240 is revised to incorporate new procedures for entering child support income. It is further revised to correct the headers.

MS 3280-MS 3290 are revised to correct the headers.

MS 3550 is revised to incorporate OM Pol. Upd. No. 01-08 regarding ineligible members and the SUA and providing social security numbers.

MS 3560 is revised to correct the headers.

MS 5500 is revised to remove the reference to OM Pol. Nod. No. 02-29 as this manual section is erroneously listed. MS 5500 is further revised to correct the headers.

MS 5660 is revised to incorporate OM Pol. Upd. No. 01-20 regarding 310 penalties.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 248  
October 1, 2002

To: All Field Staff

Subject: Various Handbook Revisions

Volume IVA

The Table of Contents is revised to remove MS 4170, Disabled Widows and Widowers, which is obsolete.

The Table of Contents is revised to remove MS 4200 which is obsolete due to combining of information with MS 4190. The Table of Contents is also revised to reflect the change in the name of MS 4190 to "Disabled Early Widows and Widowers or Disabled Surviving Divorced Spouse With No Medicare Part A".

MS 4150 is revised to remove the reference to actuarial reduction formula (ARF) as there are no longer any eligible individuals in this category.

MS 4160 is revised to clarify that correct concurrent receipt of RSDI and SSI/SSP is a requirement for some levels of Pass Through eligibility.

MS 4160(B) is revised to incorporate a clarification from the Department for Medicaid Services which defines "any reason" as an increase in any type of income that is not limited to the cost of living increases of RSDI.

MS 4170 is obsolete as there are no longer any eligible individuals in this category.

MS 4180 is revised for clarity and to remove income computations which are covered in MS 4230.

MS 4190 has incorporated the disabled widow's and widower's or surviving divorced spouse's benefits from former MS 4200, which is now obsolete. Income computation has been removed as it is covered in MS 4230.

MS 4200 is obsolete, as it has been incorporated in MS 4190.

MS 4220 is revised to change the name Department for Social Insurance, Division of Field Services to Cabinet for Families and Children, Department for Community Based Services, and to clarify which resource category is being referenced.

MS 4230(B) is revised to state that workers can manually compute income eligibility by use of PA-1A, Supplement A, and to remove reference to the PA-62 cases.

MS 4230(C) is revised to expand on income calculation for Pass Through eligible groups.

MS 4250 is revised to remove reference to reapproval of cases at reapplication of eligible individuals, as this is standard practice.

MS 4270 is renamed "MOVE TO NURSING FACILITY".

MS 4280 is renamed "RECEIPT OF WAIVER OR HOSPICE SERVICES".

MS 4280 (A) is added to define waiver services categories.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 247  
October 1, 2002

To: All Field Staff

Subject: Farm Bill/FS Reauthorization and Various Handbook Revisions

As a result of the Farm Bill, several handbook sections in Volume II have been revised. These revisions are made to ensure Kentucky's food stamp policy is in compliance with federal regulations.

Several handbook sections in Volume I and II are also being revised to incorporate several policy updates.

Volume I

MS 0092, 0094, 0096 and 0168 are revised to incorporate OM Pol. Upd. No. 01-08.

MS 0092, 0094 and 0168 are revised to state that an application filed in a county other than the county of residence must be accepted and then forwarded to the applicant's county of residence by the end of the following day.

MS 0096 is revised to state that if an alien does not wish the Department to contact Immigration and Naturalization Services (INS) to verify immigration status, the agency must give the household the option of withdrawing its application or participating without that member. It is further revised to spell out what DJJ and CBW stand for and to change the reference to PA-1C, Supplement A to MA-7, Supplement A.

MS 0170 is revised to reformat this section and to change the reference to HOBOS to e-mail.

MS 0512 is revised to replace Margo Schroeder's name with Debra Vahle.

MS 1602 is revised as the result of federal clarification to clarify when the discovery date must be entered and when to complete the calculation of the overissuance.

MS 1706 is revised to remove the reference to OM Pol. Upd. No. 02-12 as it is obsolete.

Volume II

MS 2900 is revised as a result of the Farm Bill to state that blind or disabled legal immigrants that receive disability, such as SSI or Medicaid based on a disability, are now eligible for food stamp benefits.

MS 2910, 2915, 5320, 5420, 5470, 5500, 6020, 6100, 6220, 6320, 6330, 6520, 6600, 7050 and 7090 are revised to incorporate OM Pol. Upd. No. 01-08.

MS 2910 and 2915 are further revised to correct the headers and to clarify policy for aliens who state they meet eligible alien criteria, but do not have verification of their alien status.

MS 2915 is further revised to correct the address for Immigration and Naturalization Services (INS).

MS 3160 and 3170 are revised to remove the cross-reference to OM Pol. Upd. No. 01-08 as the cross-reference did not actually apply to these manual sections.

MS 5000 is revised to correct the headers and, as a result of the Farm Bill, to increase the resource limit to \$3000 for households which include a disabled member.

MS 5030 is revised to correct the headers.

MS 5060 is revised to correct the headers and to incorporate OM Pol. Upd. No. 00-8, which clarifies policy on how to consider Tobacco Settlement Agreements payments.

MS 5200, 5210, 5220, 5300, 5310, 5330 and 5340 are revised to correct the headers and to incorporate OM Pol. Upd. No. 00-8, which clarifies policy on Tobacco Settlement Agreement payments.

MS 5210 is also revised to change the reference to Bridge the Gap (BTG) to Child Care Assistance Program (CCAP) as BTG no longer exists.

MS 5220 is revised to clarify policy on how to consider income of drug felons, fleeing felons and ineligible ABAWDS.

MS 5315 is revised to correct the headers.

MS 5320 is revised to state payments on the principal of the purchase price of income-producing real estate and capital assets are an allowable cost-of-doing business for self-employment income.

MS 5400 is revised as the result of the Farm Bill to reflect the increase in the standard deduction for household sizes of 5 or more.

MS 5420 is revised to correct the headers and to remove the cross-reference to OM Pol. Upd. No. 94-29. It is further revised to incorporate OM Pol. Upd. No. 01-08, which clarifies policy on medical deductions and to change the reference to Medical Assistance to Medicaid.

MS 5430 is revised to correct the headers.

MS 5450 is revised to change the reference to Child Care Development Fund (CCDF) to Child Care Assistance Program (CCAP).

MS 5460 and 5800 are revised to reflect the maximum shelter deduction of \$354 for cases certified beginning on or after March 1, 2001.

MS 5460 is further revised to correct the maximum shelter deduction amount.

MS 5470 is revised to correct the headers and to incorporate shelter deductions which was issued in OM Pol. Upd. No. 01-08.

MS 5495 and 5498 are revised to incorporate OM Pol. Upd. No. 02-07, which reflects the updated SUA and BUA amounts. MS 5498 is further revised as the result of FNS clarification to state that a household must be billed for two utilities in order to use the BUA.

MS 5500 is revised to correct the headers and to state that if a household has both an occupied and an unoccupied home, only one SUA can be used. It is also revised to update the telephone standard.

MS 5800 is revised to correct the maximum shelter deduction amount.

MS 6000 is revised to correct the headers.

MS 6020 is revised to correct the headers and to incorporate policy on caseworker responsibilities.

MS 6100 is revised to incorporate policy on how applicants can apply for food stamp benefits.

MS 6220 is revised to incorporate policy on scheduling appointments for working recipients.

MS 6310 is revised to correct the headers, to change client to recipient and to incorporate policy on how applications can be submitted.

MS 6320 is revised to change client to applicant.

MS 6500 is revised for formatting and to change client to recipient.

MS 6520 is revised to change client to recipient and to incorporate policy regarding collateral contacts and sources of verification.

MS 7050 and 7090 are revised to correct the headers and to incorporate policy on collateral contacts and sources of verification.

MS 7060 is revised to correct the headers.

MS 7070 is revised to add fleeing felons and drug felons.

MS 7100 is revised to correct the headers.

## Volume IIA

MS 3050 is revised to reflect the new ABAWD counties that became effective 4-1-02.



Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 246  
October 1, 2002

To: All Field Staff

Subject: Various Handbook Revisions

Volume I

Volume I is revised to incorporate various changes, the majority of which are K-TAP related changes.

The Table of Contents for Volume I is revised to reflect deletion of the CORE sections and the addition of Kinship Care overpayments.

Volume I is revised to incorporate the ERRATA to OMTL-234 which reflects the new address of the Operation Manual on the Internet in MS 0003 and MS 0005.

Volume I is revised to delete the references to the Department of Social Insurance, Division of Field Services and replace with the Cabinet for Families and Children, Department for Community Based Services. This includes manual sections 0028, 0124, 0523, 0583, 1636, 1639, 1642, 1706, 1708, 1709, 1712, 1713, 1715, 1718, 1721, 1727, 1730, 1733, 1803, 1809, 1821, 1824, 1827, 1828, 1830, 1839, 1842, 1848, 1851, 1860, 1866 and 1941.

Volume I is revised to incorporate OM Pol. Upd. No. 02-12, MS 99583 and delete all references to the Cooperative Review of Eligibility (CORE) which includes manual sections 0550, 1500, 1506, 1507, 1508 and 1706.

Manual sections 1560, 1566, 1572, 1575, 1581, 1584, 1587, 1590, 1803, 1830, 1839, 1842 and 1857 are revised to delete reference to the Collections Branch and to refer claims information to the Operation Support Branch (OSB), Claims Section.

Manual sections 1821, 1827, 1828, 1851, 1860 and 1863 are revised to change the name of the Division of Child Support Enforcement (DCSE) to the Division of Child Support (DCS).

MS 0028 is revised to state that the Cabinet encourages the use of flextime to accommodate the needs of working recipients. Offices are to ensure that customers can be assisted from 8:00 a.m. to 4:30 p.m. and during the lunch hour. This incorporates information found in OM Pol. Upd. 01-08, MS 99556, 6/1/01.

MS 0108 is revised to show the new address for submitting form OPB-003, Certification of Interpreter Services Provided.

MS 0124 is revised to change form PAFS-15 to form CFS-1.

MS 0126 is revised to incorporate OM Pol. Upd. No. 00-32, MS 99546, 12/1/00, which allows the release of information to Law Enforcement Officials when it is needed for a criminal investigation. The only information released is that which is specific to the criminal investigation.

MS 0132 is revised to clarify that tax refund information is blocked out on Child Support Payment screens if the screens are filed in a K-TAP case record. Anything with Internal Revenue Service information on it is filed separately and safeguarded.

MS 0302 is revised to delete the reference to Vol. VI, MS 4610 as this information was previously incorporated in Volume I. Advise the client to report changes concerning direct deposit information as changes occur. Advise the client if the change is reported after cut-off, the change cannot affect the following month. Also, the section is revised to change an address from PARB to the Family Self-Sufficiency Branch and the mail-stop for General Accounting.

MS 0306 is revised to explain that workers need to manually adjust tracking for the 60-month time limit on returned checks.

MS 0310 is revised to reflect the new address for mailing FAD checks which are canceled or reimbursed along with form PAFS-61, Notice of Returned Check and Authorization for Disposition.

MS 0512 is revised to better define for quality control (QC) purposes, the difference between failure to cooperate and refusal to cooperate. If a QC analyst does not have any contact with a client concerning the appointment, no disqualification is applied.

MS 0523 is revised to remove the reference to FSM and update the audits process.

MS 0556 is revised to explain the 10 days allowed for return of the requested information and the 10-day adverse action period are not the same. If requested information is brought in within the 10-day adverse action period, the case is reinstated.

MS 1505 replaces the referral to the Accounts Management Branch with OSB, Claims Section and states that Kentucky Claims System (KCL) is to administer claims and track repayment for claims attached to inactive cases.

MS 1508 is deleted in its entirety as the CORE process no longer exists.

MS 1520, MS 1526, MS 1535, MS 1536 and MS 1538 are revised to show that referrals to OIG are made for intentional program violation (IPV) or suspected fraud when loss is \$3000-\$4999. This incorporates OM Pol. Upd. 02-18, MS 99589, 7/1/02.

MS 1521, MS 1526, MS 1536 and MS 1538 are revised to show that referrals to OAG are made when IPV or suspected fraud is \$5000 or greater. This incorporates OM Pol. Upd. 02-18, MS 99589, 7/1/02.

MS 1523 and MS 1538 are revised to remove the reference to State Supplementation cases as there are no collections of overpayments for these cases.

MS 1800 is revised to reflect that claims are not identified or established as a result of an Administrative Error (AE).

MS 1806 moves the reference to an Administrative Error to MS 1800.

MS 1821 reflects the new address to send form CHR-115.2.

MS 1825, K-TAP Claims for Non-home Property, is deleted in its entirety as non-home property is no longer counted as a resource in a K-TAP case.

MS 1839, MS 1842, MS 1848, MS 1851 and MS 1857 are revised to change the name to K-TAP Repayment Options, and to reflect the different methods of repaying an overpayment. Repayment is made either by benefit reduction or payment in its entirety. Partial repayment is no longer an option for claims involving an active K-TAP case.

MS 1866 reflects a title change to Computing the Underpayment.

MS 1870 is added to move the procedures for Kinship Care overpayments from Volume III, MS 5110 to Volume I. Overpayments are to be repaid by the Kinship caregiver only. The claim does not follow the child. If the Kinship Care case is active, a 10% maximum monthly reduction is applied until the overpayment is repaid. If the case is inactive, the claim is collected from the caregiver by the Operation Support Branch, Claims Section.

MS 1915 is revised to indicate form PAFS-7, Notice of Appointment/Request for Verification, is the only form used to schedule an appointment or request verification of income or items in question due to information from IRS hits. MS 1915 is also revised to provide additional safeguarding issues on IRS information.

MS 1941 is revised to incorporate the procedures found in OM Pol. Upd. No. 00-23, 10/1/00 when there is a match from the Social Security Administration files on deceased individuals. Also, prisoner status information procedures are incorporated. Both Pol. Upd. No. 00-23, Death Match Information Sheet, and 99-13, Prisoner Match Information Report, are incorporated with this transmittal letter.

MS 2000 is revised to incorporate a clarification concerning Cuban/Haitian aliens. Cubans/Haitians entering the U.S. under Section 212 are considered the same as those entering under Section 501.

MS 2035 is revised to change the address of the INS office to which form G-845, INS Document Verification Request, is sent.

### Volume III

Volume III Table of Contents is revised to delete MS 5110.

MS 5110 is obsoleted as the information is now located in Volume I, MS 1870.

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 245  
June 1, 2002

To: All Field Staff

Subject: Transportation Revisions

Volume IIIA

Volume IIIA, Table of Contents, is revised to reflect a title change for MS 5315 and to incorporate the new MS 5320, Supplementals for Transportation Expense Payments.

MS 5300, MS 5310 and MS 5315 are revised to reflect the change from the Kentucky Human Service Delivery System to transportation assistance payments issued from the System Tracking Employability Program (STEP).

MS 5300 is revised to incorporate OM Policy Update No. 02-05, Income Limits for ERA and Transportation, issued 4/1/02.

MS 5310 and MS 5315 are additionally revised to provide the policy and procedures necessary for issuing prospective transportation payments from STEP.

MS 5315 is revised to change the title from Transportation Regions to Transportation Authorization.

MS 5320 is created to provide instructions for issuing a supplemental payment for transportation expenses. Supplementals are issued to the participant only if an agency error was made or the participant's schedule changes.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 244  
April 1, 2002

To: All Field Staff

Subject: Various Food Stamp Manual Revisions

Volume I

MS 0128 is revised to change Division of Outcome Based Contracts to the Division of Procurement Services and to correct their address. It is also revised to state that all confidentiality agreement contracts are maintained with the Division of Procurement Services, Contracts Management Branch; all references to RMDS have been removed as these contracts are no longer maintained on-line. It is further revised to change the reference to PAFS-15 to CFS-1, Informed Consent and Release of Information and Records, and CFS-1A, Informed Consent and Release of Information and Records Supplement, as the PAFS-15 is obsolete.

MS 0500, MS 0503 and MS 0506 are revised to change the reference from form PA-343 to form PAFS-343. MS 0503 is revised to change the reference to local office supervisors to Field Services Supervisor. MS 0506 is further revised for clarity.

MS 1503 is revised to change Inspector General to Division of Special Investigations. It is further revised to correct the mailing address.

MS 1520 is revised to correct the mailing address for the Office of the Inspector General.

MS 1535 is revised to state the Office of the Inspector General (OIG) completes an investigation within 90 calendar days of receipt for referrals of suspected fraud in which the loss is estimated to total \$1,000 to \$2,999.

MS 1536 is revised to state the Office of the Attorney General (OAG) must investigate referrals of suspected fraud in which the loss is \$3,000 or greater within 60 calendar days of receipt. It is also revised to state the OAG must complete its investigation within 120 calendar days of making the determination to refer for prosecution. They must also send all adjudicated cases to the appropriate DCBS office within 60 calendar days of the decision via PAFS-88.

MS 1538 is revised to state the request for computation procedures are to be completed within 45 calendar days of the request for computations from the OIG or OAG.

MS 1606, MS 1607 and MS 1614 are revised to be in compliance with claims regulations to state, establish a "no claim" if the case is inactive and the FS claim amount is \$125 or less, except for those discovered through QC review.

MS 1614 is further revised for conformity to add the criteria for establishing a "no claim".

MS 1618 is revised to clarify policy on calculating joint claims.

MS 1621 is revised to add the reference to MS 1581.

MS 1627 is revised for clarity to add that procedures in item B apply to active cases.

MS 1701 is revised to remove the procedures for establishing a "no claim".

MS 1740 is revised to state that Gary Green is the Claims Section Supervisor in the Operations Support Branch.

## Volume II

The Table of Contents has been revised to remove MS 5070, MS 5080, MS 5090 and MS 5100 as they have been obsoleted.

MS 2000 is revised to remove the definitions of licensed vehicle and unlicensed vehicle, as we no longer consider vehicles for food stamp purposes. This section is further revised to incorporate OM Policy Update No. 02-03 by adding the definition of indigent alien. It is also revised to remove the definition of issuance centers, as we no longer have these.

MS 2730 is revised as the result of a Food and Nutrition Services (FNS) review to add that group living arrangements are responsible for maintaining monthly reports and providing these reports to the local office. This manual section is further revised to state that random on-site visits must be conducted each quarter at the center to assure the accuracy of the listings and that the local offices' records are consistent and up-to-date.

MS 3060 is revised to add the definition of indigent alien.

MS 5040 is revised to correct policy on prepaid burial plans. This section is further revised to incorporate OM Policy Update No. 01-14, which states all vehicles, licensed and unlicensed, are considered as excluded resources. It is also revised to add that the only exception to the excluded vehicle rule is any boat, snowmobile or airplane used for recreational purposes or any mobile home used primarily for vacation purposes; these vehicles are considered countable resources.

MS 5050 is revised to remove vehicles from the list of countable resources and for formatting. It is further reworded for clarity and to remove the reference to inaccessible burial plans.

MS 5060 is revised to incorporate OM Policy Update No. 01-14, and for formatting. This section is further revised to remove the reference to vehicles, as vehicles are no longer considered a countable resource, and to change the reference to Eligibility Services Branch to Program Assistance and Resource Branch.

MS 5070, MS 5080, MS 5090 and MS 5100 are obsoleted, as vehicles are no longer considered as countable resources.

MS 5210 is revised as the result of a FNS clarification to state that Americorp income is only excluded if the recipient is receiving food stamp benefits prior to joining the Americorp program.

MS 6200, MS 6210 and MS 6470 are revised to incorporate OM Policy Update No. 02-03 which removes the requirements for workers to schedule a second appointment when an applicant/recipient misses their first appointment. The new requirement states that we must notify the household of the missed appointment and their responsibility to reschedule. Effective March 11, 2002, based on system-entered appointment information, the KAMES system automatically generates a Notice of Missed Interview (NOMI) advising the household of its responsibility to reschedule an appointment as follows:

- A. Applications entered on or after 3/11/02 that have an appointment scheduled on the RFI disposition screen when the application is first entered, will have a system-generated NOMI sent if the appointment is missed. To ensure that a NOMI is generated for applications, the worker must take these steps:
  - 1. The worker must enter the appointment on the RFI screen while in Option 1 from the Application Menu, when first entering the application. If the worker does not complete these steps, then they will have to manually send any subsequent notices.
  - 2. As long as the application is not updated on the appointment date, the notice is system-generated. If the worker updates the application on the appointment date for any reason, but the appointment is not kept, the system acts as if the recipient kept the appointment and deletes the trigger to send the notice. **If the appointment is not kept, do not update the application on that day.**
  - 3. If the recipient reschedules on or before the original appointment date, the worker can update the pending application and enter the **new appointment** on KAMES. The system will send the NOMI if the new appointment is missed.
- B. For recertifications, the worker must enter an "RC" appointment for the FS case on KAMES.
  - 1. If the recertification is **not** entered by the scheduled recertification appointment date, the system will send a NOMI.
  - 2. If the worker reschedules the appointment on KAMES using type "HR" on or before the appointment date, KAMES will send a NOMI if the new appointment is missed.

MS 6330 is revised to incorporate OM Policy Update No. 02-03 to state that the waiver of the face-to-face interview may not affect the length of the certification period. This section is further revised to incorporate OM Policy Update No. 01-08.

MS 6725 is revised to remove the references to the PAFS-706, Case Change Tracking Log, as the Operations Support Branch (OSB) no longer uses this form.

MS 7030 is revised to correct the headers and to remove the reference to DEFRA.



## Volume IIA

MS 1550 is revised to add that form FS-562, Facts About the Employment and Training Program, is also explained and provided at member adds.

MS 3350 is revised to remove the reference to indicate in comments whether or not the household member cares for a child under 18, as this is no longer necessary.

MS 5650 is being reissued as it was erroneously removed with OMTL #241, effective 8/1/01.

## Volume VI

MS 1270 is revised to correct the headers and to change the contact information for pseudo numbers from the Operations Support Branch to the KAMES Help Desk.

MS 2550 is revised to clarify that if an expedited member refuses to work register due to disability, the worker should answer "Y" to "Disability Determination Pending?" and "Y" to "If no, does he/she refuse to register?".

MS 2650 is revised to remove the reference to showing that a member is exempt from ABAWD requirements for caring for a dependent child under the age of 18, as this is no longer necessary. This section is further revised for formatting, and to remove the references to the Community Service Program (CSP) as CSP has been phased out.

MS 2660 is revised to add the ABAWD tracking code PM for pro-rated months.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 243  
February 1, 2002

To: All Field Staff

Subject: Simplified Reporting Requirements

Effective February 1, 2002, as a result of changes in Federal regulations and an approved waiver, the reporting requirements changed for households with earnings. Between certification periods, households with earnings need only report when their income exceeds 130% of the federal poverty level for their household size. The positive impact of Simplified Reporting is that it will reduce error rates, ease the burden for working families, provide longer certification periods, and allow a reduction in case workload.

FS households without countable earnings will continue to report changes using the standard food stamp reporting criteria. For claims determination, households with new employment must still report within 10 days of becoming aware of obtaining a new job. Once subject to SR requirements, FS households **only have to report changes if their gross monthly income is above the 130% poverty level for their household**. FS households subject to SR **do not convert** (using 4 and 1/3 or 2 and 1/6) their income to arrive at a monthly total when comparing their gross monthly income to the 130% poverty level, the household only totals the monthly amount. Do not convert SR households earned income when comparing to the poverty level, only when determining the FS household's on-going eligibility. Quality Control and Management Evaluation reviews will be conducted based on the new policy.

Please note that reporting requirements for K-TAP and Medical Assistance **have not** changed; SR only applies to food stamp cases.

On January 2, 2002, a mass mailing was sent to advise FS households with earned income about SR. Effective February 1, 2002, the KAMES system will identify which households are SR. On the night of 2/1/02, a conversion will run to identify active and suspended food stamp cases with earned income. Food stamp cases subject to SR with a certification period greater than 7/31/02 will have the end date shortened to 7/31/02. Please reference ELO-02-01-02, dated 1/11/02, subject, "Simplified Reporting", for a list of notices and handout that explains SR.

## Volume II

The Table of Contents is revised to add MS 6705, Simplified Reporting Requirements.

MS 6600 is revised to state that all earned income households, including self-employed households, are certified for six months. MS 6600 is also revised to state that households certified more than 12 months that incur one-time medical

expenses in the first 12 months may have their expenses averaged over the remainder of the first 12 months of the certification period; or budgeted in one month; or averaged over the remainder of the certification period.

MS 6700 has been revised to add reference to the simplified reporting requirements and add the ABAWD statement of working below 20 hours per week.

MS 6705 is created to provide new procedures for the reporting requirements for households with earnings.

MS 6730 is revised to note the change of reporting requirements for earnings households in MS 6705.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 242  
January 1, 2002

To: All Field Staff

Subject: Federal Benefit Conversion

Effective January 1, 2002, the new program standard amounts are to be applied in the processing of cases that require manual conversion. Conversion amounts must be used in the processing of cases after December cut-off.

Volume I

MS 0703 is revised to change the RSDI percentage increase from 3.5% to 2.6%, the SMI premium increases from \$50 to \$54, and the Federal Benefit Rate increases for SSI from \$530 to \$545 for an individual and from \$796 to \$817 for a couple.

MS 0706 is revised to state that for cases which must be manually converted by staff, 1.026 is the figure used to calculate for increased amounts.

Volume IV

MS 3450 is revised to arrange the MA scales for the "I" category cases in a numerical order, based on lowest percentage to highest percentage, as well as incorporate the 150% and 200% amounts. This section is also revised to incorporate Policy Update 01-03 effective 04/01/01.

Volume IVA

MS 1760 is revised to state that the Supports for Community Living standard increases to \$3,234; the Community Spouse Resource Allowance maximum increases to \$89,280; the Community Spouse Income Allowance increases to \$2,232; the Special Income Standard increases to \$1,635; and the Personal Needs Allowance for Non-Institutionalized Hospice, Home and Community Based Services (HCBS), Acquired Brain Injury (ABI), Homecare Waiver (HW), Personal Care Assistance (PCA) and Supports for Community Living (SCL) increases to \$565. The ineligible sibling allocation decreases to \$272. Parent Allocation for unearned income increases to \$585 for one parent in the home and increases to \$857 for two-parent households. Parent Allocation for earned income increases to \$1,215 for one parent in the home and increases to \$1,759 for a two-parent household. The Family Member Income Allowance Standard increased to \$1,452 effective 7/1/01.

MS 2080 is revised to change the transferred resource factor to \$2,524, and update the examples used.

MS 4670 is revised to reflect the increased SSI Income Standards from \$531 to \$545 for an individual and from \$797 to \$817 for a couple.

MS 4910 is revised to change the State Supplementation Program Standards. Personal Care (PC) is increased to \$985; Family Care (FC) is increased to \$717; and Caretaker Services (CS) for a single person or married individual with an ineligible spouse to \$607, for a couple, both eligible, but only one receiving care to \$886, and for a couple, both eligible and both receiving care to \$932.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 241  
August 1, 2001

To: All Field Staff

Subject: Various Handbook Revisions

In accordance with federal regulation changes established in "Recipient Claim Establishment and Collection Standards" effective 8/1/01, Claims policy in Volume I has been revised to reflect the following:

- Expanded definition of recipient claim;
- How to place a value on trafficking;
- Timely claims processing;
- Definition of discovery date;
- Procedures for collection on all active claims;
- Bankruptcy petition affects on established claims;
- Reasons for terminating a claim;
- Using expunged benefits to offset claims;
- Increase in IPV recovery rate to \$20 or 20%, whichever is greater; and
- Criteria for compromising claims.

Several handbook sections in Volume I have also been revised to remove the reference to OM Pol. Upd. No. 00-21 that was issued as a workaround to staff. This policy update is no longer applicable as policy as stated in the handbook is correct.

ABAWD policy in VOL. II A has been revised in accordance with federal regulation changes established in "Personal Responsibility Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996" effective 8/1/01 to reflect the following:

- Verification requirements of in-kind income in relation to ABAWDS;
- Requirement to report decrease in hours which would result in losing ABAWD exemption;
- All adult household members are assumed responsible for any household member under age 18;
- Pro-rated months are not counted as non-compliant months; and
- Income of ineligible ABAWDS is pro-rated.

#### Volume I

Table of Contents is revised for formatting.

MS 1500 is revised to define recipient claims and to add that claims may be identified through supervisory review, ME review and EBT issuance reports.

MS 1503 is revised to reflect Pamela J. Murphy as the Inspector General and to correct the address of the office of Inspector General.

MS 1505 is revised to correct KCL claims systems procedures as the result of claims automation.

MS 1508 is revised to change food stamps to food stamp benefits. It is also revised to correct the address for the Claims Section of the Operations Support Branch.

MS 1509 is revised to reflect the procedures that the Office of Inspector General (OIG) utilizes in regard to trafficking allegations.

MS 1512 is revised to provide clarification on repayment material that is to be kept in the claims control folder.

MS 1515 is revised to state that if there is reason to suspect that an erroneous benefit has occurred in an active or inactive food stamp case, the claim must be processed by the end of the quarter following the quarter in which the suspected overpayment is first verified. It is further revised to state the discovery date of the claim is the date on which the claim verification and category are known.

MS 1518 is revised to correct the headers and to change the Eligibility Services Branch to the Program Assistance and Resource Branch.

MS 1526 is revised to correct the headers, change the Department for Social Insurance to the Department for Community Based Services, and to change Collections Branch to the Accounts Management Branch. Formatting changes have also been made. It is also revised to explain and to include local office responsibilities for claims that are referred to OIG/OAG, and to separate and step out the procedures to follow for referrals involving overpayments and misuse of the EBT card. It is further revised to add the procedures involving the selling of food purchased with the EBT card.

MS 1529 is revised to state that referrals are forwarded to the OIG or OAG, or are returned to the worker for administrative action.

MS 1535 is revised to state the OIG completes an investigation within 30 calendar days of receipt for referrals of suspected fraud in which the loss is estimated to total \$1000 to \$2999.

MS 1536 is revised to change the timeframes as the result of OAG contract changes. The OAG must now investigate referrals of suspected fraud in which the loss is \$3000 or greater within 30 days calendar days of receipt versus 60. The OAG must complete its investigation within 45 calendar days of making the determination to refer for prosecution versus 120 days. And, they must send all adjudicated cases to the appropriate DCBS office within 15 calendar days of the decision via PAFS-88, versus 60 days.

MS 1538 is revised to remove the references to direct delivery and direct mail counties, as these no longer exist because all counties are now EBT and to change timeframes. It is also revised to state FAD and ERA claims never get combined and never get referred to court. It is further revised to state the request for computation procedures are to be completed within 15 calendar days of the request for computations from the OIG or OAG, versus 45 days.

MS 1560, 1563, 1566, 1567, 1569, 1572, 1581, 1602, 1612, 1614, 1615, 1618, 1621, 1651, 1839, 1842, 1845 and 1848 are revised to remove the reference to OM Policy Update No. 00-21 as this policy update is now obsolete. This policy update was issued as a KAMES workaround. The system is now programmed to meet policy specifications.

MS 1563 is revised to correct local office responsibilities as the result of claims automation to state that after 9/1/00, inactive claims are automatically sent to the Accounts Management Branch (AMB).

MS 1566 is revised to reflect correct Accounts Management Branch responsibilities as the result of claims automation.

MS 1569 is revised as a result of claims automation to reflect procedures for approvals/reapprovals as they apply to each program.

MS 1572 is revised to reflect correct policy and procedures for collection on active cases for all programs.

MS 1575 is revised to change the Collections Branch to the Accounts Management Branch.

MS 1578 and 1579 have been obsoleted as KCA/KCL automatically tracks member & case status and transfers and collects automatically.

MS 1581 is revised to state, if a claim is being paid through benefit reduction and the recipient makes an additional payment, the worker is to send the payment to OSB/Claim Section.

MS 1584 and MS 1587 are revised to change the Collections Branch to the Accounts Management Branch.

MS 1590 is revised to correct policy on bankruptcy to state any claim established by court order and food stamp claims established by administrative hearings are not affected by the bankruptcy petition.

MS 1595 is revised to correct the headers and to change the references of the Collections Branch to the Accounts Management Branch. It is also revised to reflect conditions on which a claim can be terminated.

MS 1600 is revised to correct the headers and add the definition for trafficking.

MS 1602 is revised to state the procedures to follow when a potential claim is suspected rather than discovered.

MS 1603 is revised due to an FNS clarification to state for claims involving emancipated minors, collection is pursued only if the household contained no adults at the time the overissuance occurred.

MS 1606 and 1607 are revised to remove the reference to ATP cards, and to state to establish a no claim if the overissuance occurred more than 12 months before the month that the agency became aware that a claim may exist.



MS 1612 is revised to correct the headers. It is also revised to state FS AE or IHE claims, may include any months within the 12-month period prior to the month of discovery. It is further revised to state that expunged benefits are used to reduce the claim debt.

MS 1615 is revised to correct the headers. It is also revised to state expunged food stamp benefits can be applied towards payment for IPV claims.

MS 1618 is revised to reflect procedures on how to calculate a claim on KCA when an overissuance occurs because of both an IPV and either an AE or IHE violation.

MS 1621 is revised to change the Collections Branch to the Accounts Management Branch. It is also revised to state that if the recipient chooses to pay a lump sum, accept payments in any amount. Checks and money orders are acceptable payment methods. Cash is not an acceptable payment method. MS 1621 is further revised to state that if the terms of the repayment agreement are not met or if no satisfactory repayment agreement is returned, the household is subject to involuntary benefit reduction.

It is also revised to change references of food stamps to food stamp benefits. It is further revised to state that recipients are to be given the option of paying higher amounts if they voluntarily choose to do so, and that for IPV claims, the amount to be recovered is the greater of 20% of the household's monthly entitlement or \$20 per month. It is further revised as the result of regulation changes to state that the Accounts Management Branch also recovers claims through federal tax refund intercept, administrative offset, lottery offsets, other options as mandated by courts, or salary garnishments. The reference to withholding unemployment compensation has been removed, and expungement is added as a repayment method.

MS 1623 is revised to state when a household contains multiple AE, IHE, or IPV claims and the household voluntarily chooses to pay on two or more AE, IHE, or IPV claims simultaneously, payment must be made by check or money order.

MS 1624 is revised to state that refunds are not to be made if the household overpaid through expungement.

MS 1627 is revised to add that claims can be compromised if it can be determined that repayments would cause undue hardship for the household.

MS 1631 is revised to add the acronyms DCBS and SSA.

MS 1648 is revised to state that outstanding claims can be offset by using expunged benefits.

MS 1660 is revised to list the definition of trafficking for food stamp purposes. It is further revised as the result of FNS clarification to state that the selling of food purchased with benefits on an EBT card is considered an IPV in the food stamp program. A disqualification is imposed, but no claim is established. Procedures for processing these types of claims are moved to MS 1526.

MS 2730 is revised to change the reference of Field Services Administrator to Service Region Administrator.

MS 3500 has been revised to correct the header and to change the reference from coupons to benefits. It has been further revised to change Eligibility Services Branch to Program Assistance and Resource Branch.

MS 5210 has been revised to correct the headers. It has been further revised to change the Job Training Partnership Act (JTPA) to Workforce Investment Act (WIA).

MS 5210 is further revised to explain how the FAD program is funded.

Additionally, MS 5210 is also further revised to state that earnings of children who are age 17 or younger, who are in elementary or secondary school, including GED classes or accredited home schooling, who live with a natural, adoptive, or step-parent or who are under the parental control of a household member other than a parent, are excluded.

MS 5400 has been revised to correct the headers and to incorporate OM Policy Update No. 00-22 and OM Policy Update No. 01-01 and its errata. The references to these policy updates have also been removed.

MS 5460 and MS 5800 have been revised to change the maximum shelter deduction from \$275 to \$340 in accordance with Public Law 106-387 "The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001". MS 5460 is further revised to remove the reference to OM Pol. Upd. No. 00-22.

MS 5470 is revised to add that condominium association fees are an allowable shelter deductions. It is further revised to state promissory note payments are not an allowable deduction unless they lead to ownership and there is a verifiable lien.

MS 5495 and 5498 have been revised to incorporate OM Policy Update No. 01-07 which reflect the new SUA, BUA and telephone standards.

MS 5510 has been revised as a result of an FNS clarification to state that a child support deduction can be given for collections made through tax intercept.

MS 6700 and 6710 are revised to remove the reference to OM Policy Update No. 00-7 as the policy contained in the update has been previously incorporated. MS 6700 is further revised to add that ABAWDS who are meeting their ABAWD exemption by working 20 hours per week, averaged monthly, must report within 10 days any change in work hours that brings them below the required 20 hours per week.

MS 7010 is revised to reference Volume IIA, MS 1650C for acceptable verification of disability.

MS 8120 is revised to remove the reference to FNS-259 as this report is now obsolete.

MS 8130 is revised to change the phone number for EBT system security.

MS 1050 is revised to remove the reference to OM Policy Update No. 00-20 as the Community Service Program (CSP) has been phased out. It is further revised to remove CSP from the list of acronyms.

MS 1600 is revised to incorporate OM Policy Update No. 00-18.

MS 3250 is revised to remove the reference to OM Policy Update No. 00-20 as the CSP has been phased out. It is further revised to remove the reference to CSP requirements.

MS 5550 is revised to state that hours of in-kind income must be verified and that participants who are meeting their ABAWD exemption by working 20 hours per week, averaged monthly, must report within 10 days any change in work hours that brings them below the required 20 hours per week.

MS 5550 is also revised to remove CSP as an ETP component as CSP was phased out and to remove the reference to OM Pol. Upd. No. 00-20.

MS 5600 is revised to state all adult household members are assumed responsible for any household member under age 18 who lives in the household, including spouses if under age 18.

MS 5700 is revised to remove the reference to OM Policy Update No. 00-20 as the CSP has been phased out. It is further revised to remove the reference to CSP.

MS 6050 is revised to state that prorated months are not to be counted as non-compliant months. It is also revised to state that the income of ineligible ABAWDS is prorated.

MS 6100 is revised to remove the reference to CSP as this program phased out effective 9/1/00.

MS 7050 and MS 7100 are deleted in their entirety as CSP is no longer an ETP component and these manual sections no longer apply.

MS 8100 and 8110 are revised to remove the reference to OM Policy Updates No. 00-18 and 00-20 as policy in these policy updates in regards to the CSP no longer applies.

MS 8200 is revised to incorporate OM Pol. Upd. No. 00-18 and 00-20 and to remove the references to CSP.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 240  
July 15, 2001

To: All Field Staff

Subject: KenPAC

Volume I

Table of contents has been revised to reflect the title change to MS 0403, MS 0406, MS 0408, MS 0412, MS 0418, MS 0419 and MS 0421. MS 0407, MS 0424, MS 0427 and MS 0430 have been obsoleted. MS 0410, MS 0414, MS 0416 and MS 0422 have been added.

MS 0400 – 0449 KenPAC is reorganized to clarify and step out the policy procedures for KenPAC. All manual sections in this subchapter are revised and require review.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 239  
May 1, 2001

To: All Field Staff

Subject: Various K-TAP Revisions

Volume I

MS 0302 is revised to list the Program Assistance and Resource Branch (PARB) as contact for problems with K-TAP direct deposit and to correct the address for General Accounting.

MS 0304, 0307, 0309, 0310, 0315 and 0318 are revised to correct the address of General Accounting.

MS 0306 is revised to change Central Office to Quality Central.

MS 0650 is revised to reference the MA program in the second sentence that states an SSN is not required for individuals not applying for K-TAP or MA benefits.

MS 1115 is revised to incorporate OM Pol. Upd. 00-26, Income Limits for CCAP.

Volume II

MS 2370 is revised to incorporate OM Pol. Upd. 99-21, Immunization, and to change DCSE to DCS.

Volume III

The Table of Contents for Volume III is revised to change MS 2000 to 2002, delete MS 2045 and MS 2308, change 3800-3899 from Employment Retention Assistance (ERA) to Employment Retention (ER), change MS 3810 to Employment Retention Criteria, change MS 3820 to Determining Employment Retention Eligibility, and add MS 3825, Determining ERA Eligibility.

MS 2002 is revised to incorporate OM Pol. Upd. 00-2, Domestic Violence Initiative, and to remove supportive services paid for WtW and Wage Supplementation participants after discontinuance from the 60-month count. Also, ER and ERA are added to the list to which the 60-month limit does not apply.

MS 2014 is revised to include a statement mentioning child support/medical support services to FAD applicants. This is done at the suggestion of field staff.

MS 2043 and MS 2044 are revised to incorporate OM Pol. Upd. 99-9, Work Registration Revisions.

MS 2044 is also revised to change DCSI to DCBS.

MS 2045 is deleted entirely due to changes in OM Pol. Upd. 99-9, Work Registration Revisions.

MS 2215 is revised to incorporate the policy concerning qualified aliens. This is done at the request of field staff. This section is revised to include out-of-state drug felony convictions.

MS 2300 is revised to incorporate the OM Pol. Upd. 99-21, which eliminated the immunization requirement.

MS 2308 is deleted entirely to incorporate OM Pol. Upd. 99-21, which eliminated the immunization requirement.

MS 2324 is revised to incorporate OM Pol. Upd. 00-02, Domestic Violence Initiative, which removes Domestic Violence procedures from KWP exemption criteria.

MS 2325 is revised to incorporate OM Pol. Upd. 99-24, KWP Child Care Good Cause Revisions.

MS 2327 is revised to incorporate OM Pol. Upd. 00-31, School Attendance and Minor Teen Parents.

MS 2338 is revised to correct the lettering to correspond with lettering changed in a prior OMTL.

MS 2375 is revised to delete the reference to obsoleted MS 3024 and MS 3027.

MS 2510 is revised to incorporate OM Pol. Upd. 00-29, Payments from Crime Victims Funds, which excludes payments from Crime Victims Funds from K-TAP. This section is also revised to list educational payments made under the G.I. Bill as excluded and delete a reference to Volume V, MS 6514.

MS 2510, MS 2512 and MS 2513 are revised to change reference from JTPA to WIA.

MS 2605 is revised to delete a reference to an obsolete section.

MS 2610 is revised to eliminate child/spousal support from the gross income computation at application. This section is also revised to reorganize the information on considering child/spousal support.

MS 2760 is revised to change references from Job Training Partnership Act (JTPA) to Workforce Investment Act (WIA).

MS 2802 is revised to incorporate OM Pol. Upd. 99-23, Standard of Need/Gross Income Changes.

MS 2825 is revised to incorporate OM Pol. Upd. 99-23, Standard of Need/Gross Income Changes.

MS 2855 is revised to delete information which no longer applies to the \$30 and 1/3 deduction policy.

MS 3650 is revised to delete a reference to work registration.

MS 3665 is revised to incorporate OM Pol. Upd. 99-9, Work Registration Revisions.

MS 3700 is revised to include completion of English as a second language by any qualified alien as being eligible for the education bonus.

MS 3712 is revised to incorporate OM Pol. Upd. 99-14 and the Errata to 99-14, Post K-TAP Work Incentive Bonus Expansion. This section is also revised to incorporate OM Pol Upd. 00-12, Post K-TAP Work Incentive Bonus.

MS 3750 is revised to remove the limitations on receipt of Relocation Assistance Program (RAP) for families where domestic violence exists.

MS 3800, MS 3810, and MS 3820 are revised to incorporate OM Pol. Upd. 99-19, Employment Retention, and OM Pol. Upd. 00-13, Employment Retention Assistance (ERA) Payments, as well as OM Pol. Upd. 00-10, Income Limits for Transportation and Employment Retention Assistance.

MS 3825 is created to incorporate OM Pol. Upd. 99-19, Employment Retention.

MS 3830 is also revised to incorporate OM Pol. Upd. 99-19 and OM Pol. Upd. 00-13.

MS 5040 is revised to change item A..5. to A.3. This section is also revised to state to convert an active child only "C" case or MA case to a Kinship Care case, the "C" or MA case is discontinued and a "KC" application is entered on KAMES.

### Volume IIIA

The Table of Contents for Volume IIIA is revised to change MS 4050 to Workforce Investment Act (WIA), MS 4385 to 24-month Vocational Training. MS 5315 to Transportation Regions, and to delete Supplementals for Transportation Expense Payments, MS 5320.

MS 4000 is revised to incorporate OM Pol. Upd. 00-03, Wage Subsidy/OJT Program.

MS 4030 is revised to change the heading.

MS 4040 is revised to incorporate OM Pol. Upd. 99-9, Work Registration Revisions, and to change references from DSI to DCBS.

MS 4050 is revised to change references from JTPA to Workforce Investment Act.

MS 4130 is revised to change references from QIB to PARB and change references from DMD to OTS. This section is also revised to change the headings to CFC and DCBS.

MS 4210 is revised to change the headings to CFC and DCBS and to change reference from DSI to DCBS.

MS 4220 is revised to incorporate OM Pol. Upd. 00-30, Job Readiness Training/Job Search, and to change headings on page 3 to CFC and DCBS. This section is also revised to change DSI to DCBS.

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 238  
May 1, 2001

To: All Field Staff

Subject: Various Medicaid Revisions

Volume I

The Table of Contents is revised to add MS 0172, Transfer of DJJ Cases.

MS 0172 is created to give procedures for transferring Department of Juvenile Justice MA cases from one county to another.

MS 0353 is revised to include ABI, personal care and home care are excluded from managed care.

MS 0459 is revised to incorporate ELO-00-8-77, Requesting Information.

MS 0569 is revised to clarify how to enter an SSI discontinued case that has requested a fair hearing.

MS 2075 is revised to clarify that KCHIP3 (150% to 200% of the Federal poverty level) does not provide time-limited emergency MA coverage for ineligible aliens. This MS is also revised to remove the work around for aliens with no SSN.

Volume IV

The Table of Contents is revised to change MS 2250 from DSI to DCBS in MS 2250. Table of Contents is also revised to change title of MS 2270 from MSE Referral to Good Cause. MS 2275 and MS 4309 are added.

MS 1070 and MS 2870 are revised by request of field staff to incorporate the appropriate "I" category of assistance, P1, P2, P3, etc.

MS 1070 is revised to remove a definition in the "L" category that is no longer needed.

MS 1320 is revised to state that mail-in applications must be entered on KAMES within 10 working days of receipt by DCBS. This change is made at the request of field staff.

MS 1550 is revised to clarify that Family and AFDC Related MA cases are recertified every 12 months.

MS 1560 is revised to incorporate OM Policy Update No. 00-14, Recertification By Mail. Face-to-face recertifications are no longer required for Family MA and AFDC Related MA cases. MS 1560 is further revised to remove references to the PA-62 system, because the only Family MA cases on that system are those receiving extended MA due to managed care.

MS 2200, items E & F are added to clarify if more than one alleged father, MSE referral is completed on both. Item A is revised for clarity by removing a confusing statement. Item D is revised to clarify joint custody.

MS 2270 is changed from MSE Referral to Good Cause. All of the Referral information was covered in other sections and Good Cause was added.



MS 2275 was added to clarify recertification of Good Cause.

MS 2893 is revised to clarify procedures when a duplicate CHP-1 is received.

MS 2900, MS 2920, MS 2960 and MS 2980 are revised to add TMA recertification in the 12<sup>th</sup> TMA month per policy update No. 00-34.

MS 2920 is revised to correct TMA procedures for E and T cases. The TMA process for E and T cases changed when those cases were moved from the PA-62 system to KAMES.

MS 3050 and MS 4309 are revised to clarify E and T cases may be entitled to 4 months of MA when discontinued due to receipt of child or spousal support.

MS 3100 is revised to add 150% and 200% of Poverty Level MA Scale to E. MS 3100 is further revised to clarify that an SSI recipient, parent or child can not be included in the MA family size.

MS 3850 is revised to add payments from the Crimes Victims Funds as excluded income.

MS 4308 is revised to remove reference to entering a TMA case on KAMES. E/T cases are now on KAMES and the TMA would not need to be entered.

MS 4512 is revised to correct the subchapter.

#### Volume IVA

The Table of Contents is revised to add MS 1105, Chiropractic Services and MS 4753, GDC Recertification. MS 4597 is removed as it became obsolete in OMTL-234.

MS 1010 is revised to include Grandfathered Disabled Children (GDC). GDC are children who lost their SSI benefits due to the PRWORA change in the definition of childhood disability.

MS 1010(2) is revised to add clarification that an institutionalized spouse is only viewed as single once divorced.

MS 1105, Chiropractic Services, is added to include these services as a Medicaid benefit, incorporating OM Policy Update No. 00-27, Chiropractic Services.

MS 1850 is revised to reference MS 2050-2110 for transfer of resources and to change header to Cabinet for Families and Children, Department for Community Based Services.

MS 1940 and MS 1950 are revised to change header to read Cabinet for Families and Children, Department for Community Based Services, Operation Manual.

MS 1950, B is revised to correct reference from MS 1950 to MS 1910.

MS 1980 is revised to state that property checks must be completed within 90 days of the LTC approval. This revision is made at DMS request and allows the LTC application to be approved more rapidly.

MS 2070 is revised to correct heading to the Cabinet for Families and Children, Department for Community Based Services, Operation Manual. It is also revised with the correct address to submit good cause for Transfer of Resources and reworded for clarity.

MS 2470 is revised to add payments from the Crime Victims Funds are excluded income.

MS 2920 and MS 3510 are revised to clarify that approval of LTC can only be a maximum of 3 months prior to the application date.

MS 2990 is revised to correct the address of the Department for Medicaid Services.

MS 3480 is revised to clarify that an unpaid liability that was the result of a vendor payment ineligibility period due to a transfer of assets is not an allowable deduction.

MS 3500 and MS 3520 are revised to change AIS/MR to SCL.

MS 3510 is revised to clarify that the LTC MA effective date can only be 3 months prior to the month of application.

MS 3900 is revised to clarify that medical transportation may be authorized for Social workers and psychologists when the service is provided to a child through Impact Plus. MS 3900 is further revised to delete the reference to chiropractors and to change AIS/MR to SCL.

MS 4460 is revised to clarify that in a Z case the SSI spouse is considered in the family size but the SSI income is excluded.

MS 4660 is revised to include an exception to the policy that applicants who are potentially eligible for SSI cannot be approved for Adult MA. Institutionalized individuals who own homestead property are exempt from this requirement. This change was requested by DMS.

MS 4752 is revised to incorporate ELO-00-4-42, Disabled Children Active on KAMES, and various clarifications.

MS 4753 is created to incorporate ELO-00-6-55, Recertification Procedures.

#### Volume X

OM Policy Update No. 00-27, (99530-99530(2) 7/1/00) and OM Policy Update No. 00-28, (99542, 10/1/00) have been obsoleted.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 237  
February 1, 2001

To: All Field Staff

Subject: Miscellaneous Revisions

Volume I

MS 0650 is revised to state that an applicant is not required to provide an SSN or apply for an SSN for any individual who will not be a member of the K-TAP benefit group. Example: If a grandmother is applying for a grandchild and is not going to be included in the case, she does not have to provide an SSN for herself. This is a result of a joint policy clarification from federal Departments of Health and Human Services and Agriculture concerning citizenship, immigration status and social security numbers.

MS 0651 is revised to state that an applicant is not required to provide or apply for an SSN for any individual who will not be a member of the food stamp household. This revision is made as a result of a policy clarification from the Department of Health and Human Services and the United States Department of Agriculture (USDA).

MS 1506 and 1507 are revised to add CORE referrals as a means of investigating fraud suspicions.

MS 1506, 1621, 1622, 1648, 1651 and 1700, references to the use of coupons, has been removed since coupons are obsolete with the implementation of EBT.

MS 1584 is revised as the result of a clarification from FNS, which extends policy regarding collection of claims in multiple programs to include agency error (AE) claims.

MS 1603 is revised as the result of an FNS clarification to remove the order of collection when households split up. It is also revised to state that all adults who were in the household at the time of the claim are jointly and equally liable for the claim. It is further revised to correct the headers.

MS 1627 is revised to change Collection Branch to its new name of Accounts Management Branch.

MS 1631 is revised to change Social Insurance to Community Based Services.

MS 1631 is revised as a result of an FNS clarification to add that a restoration may be required when the state becomes aware that an alien applicant was granted retroactive eligibility by the Balanced Budget Act of 1997. It is further revised to

correct the headers and to correct references to the Department for Community Based Services.

MS 1660 is revised at the request of the Office of the Attorney General to add procedures to follow when a food stamp case is discontinued because the household did not keep an appointment to discuss suspected EBT trafficking charges. It is further revised to remove the reference to form FS-90, "EBT Trafficking Waiver", as this form has not been incorporated in state regulations.

MS 1700, 1701 and 1737 are revised to change the name of the Chapter to Food Stamp Disqualification for IPV to differentiate from MA IPV.

MS 1736, A, is revised to clarify that the disqualification penalties specified in this item apply to individuals found guilty of having used or received food stamp benefits in a transaction involving the sale of a controlled substance.

MS 1736 has also been changed for formatting. What was previously listed under item G has been moved up to the opening paragraph. Item G has been revised to now explain that a permanent food stamp disqualification is imposed if a Federal, State or local court determines food stamp benefits were used or received in a transaction involving the sale of firearms, ammunition or explosives.

## Volume II

MS 2000, the definitions for Direct Delivery and Direct Mail, have been removed and remove references to coupons as these terms are obsolete with the implementation of EBT.

MS 2010 is revised based on an FNS clarification to state siblings, regardless of age, who are not living with their parents may be granted separate household status.

MS 2520 is revised to add procedures for how to issue a new card when the head-of-household has moved to a shelter and does not have their EBT card.

MS 2730, 2740, 2750, and 2760 are revised to remove the reference to coupons, which have become obsolete with the implementation of EBT.

MS 5040 is revised to remove the reference to accessible and inaccessible funeral agreements. This change was made as the result of an FNS clarification which states that burial trusts administered by funeral homes are not excluded resources. MS 5040 is further revised as the result of an FNS clarification to explain that income maintained in or withdrawn from an Individual Development Account (IDA), owned by food stamp recipients participating in the Assets for Independence Act demonstration project is considered as excluded income as well as an excluded resource. This also includes any interest earned in the account. This revision is made as a result of an approved FNS waiver received by the Department.

MS 5050 is revised to change Eligibility Services Branch to Program Assistance and Resource Branch.

MS 5210 is revised to explain that income maintained in or withdrawn from an Individual Development Account (IDA), owned by food stamp recipients participating in the Assets for Independence Act demonstration project is

considered as excluded income as well as an excluded resource. This also includes any interest earned in the account. This revision is made as a result of an approved FNS waiver received by the Department.

MS 5220 is revised as the result of an FNS clarification to state that when means-tested benefits are being recouped due to the household's previous noncompliance with program requirements, the entitlement amount is considered in food stamp benefit calculations, but a 310 disqualification is not imposed.

MS 6101 and 6200 are revised at the request of field staff to remove the requirement that applications be entered on-line within two days of receiving form KIM-77. The only requirement is that the application is processed to meet appropriate timeliness standards.

MS 6700 is revised to incorporate OM Policy Update No. 00-7.

MS 8020 is revised to clarify how to assign the designation of the authorized representative using the recipient's EBT card.

MS 8200 is revised at the request of field staff to clarify "A6" from "undeliverable" to "return", clarify "Z1" status and revise delayed and immediate card status procedures.

MS 8230 is revised to correct the fax number for OSB.

### Volume III

MS 2332 is revised to state that an applicant is not required to provide an SSN or apply for an SSN for any individual who will not be a member of the K-TAP benefit group. This corresponds to the revisions made to Volume I, MS 0650.

### Volume IV

MS 2010 and MS 2893 are revised to clarify that non-members of a family MA case are not required to supply an SSN.

### Volume VI

Page 6 of the Table of Contents is revised to correct the headers. The reference to the Division of Policy Development is changed to the Department for Community Based Services. In addition, MS 4530 is obsolete and deleted.

Page 7 of the Table of Contents is revised to remove the reference to MS 5330, as this manual section has been removed in its entirety.

MS 1245 removes item D regarding local office pick-up of coupons for transferred cases between counties.

MS 4085 is changed to clarify how to issue benefits to residents of spouse abuse centers and to remove the reference to the food stamp vault

MS 4525 was revised to correct the headers.

MS 4530 is deleted because FS ID cards are no longer used from page 4525 -4530.

MS 4600 and 5300 are changed to remove the reference to coupons.

MS 5330 is removed in its entirety from page 5300-5335.

MS 5335 and 5340 are changed to remove references to direct mail and direct delivery counties.

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual Transmittal  
Letter No. 236  
December 1, 2000

To: All Field Staff

Subject: Federal Benefit Conversion Amounts

Effective January 1, 2001, the new program standard amounts are to be applied in the processing of cases that require manual conversion. Conversion amounts must be used in the processing of cases after December cut -off.

Volume I

MS 0703 is revised to change the RSDI percentage increase from 2.4% to 3.5%, the SMI premium increase from \$45.50 to \$50.00, and the Federal Benefit Rate increase for SSI from \$512 to \$530 for an individual and from \$769 to \$796 for a couple.

MS 0706 is revised to state that the 1.035 is the figure used for cases which must be manually converted by staff.

Volume IVA

MS 1760 is revised to state that the Supports for Community Living standard increases to \$3,152; the Community Spouse Resource Allowance maximum increases to \$87,000; the Community Spouse Income Allowance Maximum increases to \$2,175; the Special Income Standard increases to \$1,590; and the Personal Needs Allowance for Non-Institutionalized Hospice, Home and Community Based Services (HCBS), Acquired Brain Injury (ABI), Homecare Waiver (HW), Personal Care Assistance (PCA) and Supports for Community Living (SCL) increases to \$550. The ineligible sibling allocation increases to \$285. Parent Allocation for Unearned Income increases to \$570 for one parent in the home and increases to \$836 for two parents in the home. Parent Allocation for Earned Income increases to \$1,185 for one parent in the home and increases to \$1,717 for two parents in the home.

MS 2080 is revised to change the transferred resource factor to \$2,460. An additional example has also been incorporated regarding a transfer involving a couple.

MS 4670 is revised to reflect the increased SSI Income Standards from \$512 to \$530 for an individual and from \$769 to \$796 for a couple.

MS 4910 is revised to change the State Supplementation Program Standards. Personal Care is increased to \$946; Family Care is increased to \$685; and Caretaker Services for a single person or married individual with an ineligible

spouse to \$577, for a couple, both eligible, but only one receiving care to \$844, and for a couple, both eligible and both receiving care to \$889.

Dietra Paris, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 235  
December 1, 2000

TO: All Field Staff

SUBJECT: Kinship Care Program

Volume III

The Table of Contents for Volume III is revised to add section 5000-5199. The following manual sections have been created to incorporate the Kinship Care Program.

-MS 5000	Kinship Care Overview
-MS 5010	Individuals Served by Kinship Care
-MS 5020	Available Services/Benefits to Kinship Care Cases
-MS 5030	Kinship Caregiver Responsibilities
-MS 5040	Kinship Care Criteria
-MS 5050	Standard Filing Unit Exception
-MS 5060	Child Support Requirements
-MS 5070	Resource Limit
-MS 5080	Countable Income
-MS 5090	Benefit Payment and Income Scale
-MS 5100	Authorizing Kinship Care Payments
-MS 5110	Kinship Care Overpayments

MS 5000 is a new section which provides an overview of the Kinship Care Program. Kinship Care allows the placement of an abused, neglected or an orphaned child, due to the death of both parents, with an approved relative rather than being placed in foster care. Kinship Care uses TANF funds and is processed through KAMES. Protection and Permanency staff will work closely with Family Support staff during the initial processing of the Kinship Care case. Ongoing communication is also vital for reporting any changes that may occur within each case.

MS 5010 is a new section which explains who can be served by the Kinship Care Program. The program can serve a child(ren) who is placed in foster care or would be placed in foster care due to: the death of both parents; in need of protection due to substantiated abuse or neglect, determined by the Cabinet and placed with a caring relative who has been determined by CFC to be a preferable alternative to placement with a non-relative.

MS 5020 is a new section which explains the various services and benefits offered to a Kinship Care case. Services may include: a child care subsidy; respite child care; family counseling; parenting training; support group referral; case management services for at least 6 months, beginning with the date of placement; educational bonus; Medicaid eligibility; and a one time start up payment. The start up payments are for the child's immediate needs, e.g. clothing, school supplies,

additional furniture, deposit on a larger apartment, other items/services necessary to assist the child in becoming established in the new environment. The start up payments are made by Protection and Permanency workers. This policy obsoletes ELO-00-2-12, dated February 8, 2000.

MS 5030 is created to inform the Kinship caregiver of their program responsibilities. The caregiver will agree to take temporary custody of the child; assume permanent custody, if the child cannot be reunited with a parent; report, within 10 days, any changes in circumstance which may effect eligibility or the payment amount; and cooperate with child support activities.

MS 5040 is created for those children that were placed with a caretaker relative due to abuse, neglect or the death of both parents, prior to the introduction of Kinship Care. These cases will be reviewed and if the case meets the necessary criteria, the K-TAP case will be discontinued and the case will be converted to a Kinship Care case.

MS 5050 is created to explain those cases that contain siblings, living in the same household, each receiving K-TAP or Kinship Care benefits. Normal K-TAP standard filing unit should be used with the following exception. If a relative receives K-TAP for a child, not placed due to abuse or neglect, and a sibling of the K-TAP child is placed with that relative due to abuse or neglect, the relative can receive Kinship Care benefits for the abused or neglected child. The Kinship Care child is not added to the K-TAP case. A separate Kinship Care case is approved. This change in policy for Kinship Care is effective 12/1/00.

MS 5060 is created to ensure that the Kinship caregiver understands and complies with child support requirements. If the Kinship caregiver does not cooperate with child support requirements and does not file a "good cause" claim, the penalty of 25% of the maximum benefit is applied. Collected support for a Kinship Care child is forwarded to the Division of Child Support, P.O. Box 14059, Lexington, Kentucky 40512-4059.

MS 5070 is created to state the resource limit is \$2,000 and the countable resources for the child are the same as used for K-TAP children.

MS 5080 is created to specify only the income of the Kinship Care child is included in the Kinship Care case. The Kinship caregiver's income is excluded. The K-TAP criteria for countable income is used to determine what income is countable for a Kinship Care child.

MS 5090 is created to determine the monthly benefit payment based on the monthly payment scale and the income limit for a Kinship Care case. The child's income does not reduce the monthly benefit payment. This section explains how to use the scale for multiple children in a case and how a case could possibly receive K-TAP benefits and partial or full Kinship Care benefits within the same month.

MS 5100 is a new section which explains how to enter the Kinship Care application on the KAMES system. This policy obsoletes ELO-99-12-33, dated December 10, 1999.

MS 5110 is created to provide policy and procedures concerning overpayments made in Kinship Care cases. A claim is established for overpayments due to a client

(Kinship caregiver) error and are recovered from the Kinship caregiver. There is no claim established for overpayments caused by an agency error.

Overpayments are to be repaid by the Kinship caregiver only. The claim does not follow the child. If the Kinship Care case is active, the claim is collected by applying a 10% maximum monthly reduction of future Kinship Care Program benefits, based on the number of children in the Kinship Care case, until the overpayment is repaid. If the Kinship Care case is inactive, the claim is collected from the Kinship caregiver by the Accounts Management Branch.

Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 235  
December 1, 2000

TO: All Field Staff

SUBJECT: Kinship Care Program

Volume III

The Table of Contents for Volume III is revised to add section 5000-5199. The following manual sections have been created to incorporate the Kinship Care Program.

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additional furniture, deposit on a larger apartment, other items/services necessary to assist the child in becoming established in the new environment. The start up payments are made by Protection and Permanency workers. This policy obsoletes ELO-00-2-12, dated February 8, 2000.

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Dietra Paris, Commissioner

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 234  
September 1, 2000

TO: All Field Staff

SUBJECT: Medicaid and Various Revisions

All page headings are revised to state the Cabinet for Families and Children, Department for Community Based Services, Operation Manual. All pages are also revised to correct agency names and correct mailing addresses and change AFDC to K-TAP. All references to client have been changed to recipient. All references to his/her have been changed to individual or their, whichever is appropriate.

Volume I

Volume I, [Table of Contents](#) is revised to change Department for Social Insurance to Department for Community Based Services. MS 0024, MS 0165, MS 0171 and MS 0909 have been deleted. [MS 0168](#), [MS 0350](#), [MS 0351](#), [MS 0352](#), [MS 0353](#), [MS 0354](#), [MS 0355](#) and [MS 0725](#) are added to the Table of Contents. [MS 0026](#) is revised to change the name from Division of Field Services to Division of Family Support.

[MS 0003](#) is revised to update current procedures for hardcopy manual.

[MS 0005](#) and [MS 0007](#) are revised to reflect the name change from the Division of Field Services, Eligibility Services Branch to the Program Assistance and Resource Branch (PARB).

[MS 0005](#) is revised to delete reference to FSA and FSS. Change FSS to SRA or designee. Item B is deleted and the Internet address is added.

[MS 0007](#) is revised to delete reference to Field Services.

[MS 0020](#) is revised to reflect responsibilities of the Cabinet and add new Division names.

[MS 0022](#) is revised to reflect the name change from the Department for Social Insurance to the Department for Community Based Services.

[MS 0024](#) is deleted.

[MS 0026](#) is changed to the Division of Family Support and provide a description of the Division's responsibilities.

[MS 0102](#) is revised to show the form name change from form PA-664 to form PAFS-664. This section is also revised to clarify information on EEO, and to change the address from Office of the Secretary to USDA Director.

MS 0108 is revised to update General Accounting's address.

[MS 0128](#) is revised to change the address of the Division of Outcome Based Contracts.

[MS 0130](#) is revised to reflect the name change from the Eligibility Services Branch to the Program Assistance and Resource Branch (PARB).

[MS 0150](#) is revised to change DSI to DCBS.

[MS 0153](#) is revised and reformatted for clarity.

[MS 0156](#) is revised for grammatical changes.

[MS 0159](#) is revised to reflect information the case record should contain and obsolete items are removed.

[MS 0162](#) is revised to clarify instructions on purging material from active case records.

[MS 0165](#) is deleted, as it is now each regions responsibility on how they want to maintain files.

[MS 0168](#) is revised for grammatical changes.

[MS 0170](#) is revised to delete reference to HOBOS and add reference to E-mail.

[MS 0171](#) is deleted as this is now a regional responsibility.

[MS 0174](#) is revised to update the name and address of the Office of Technology Services.

[MS 0179](#) is revised to add a case weight for Employment Retention.

[MS 0183](#), [MS 0186](#), [MS 0189](#), [MS 0192](#), and [MS 0195](#) are code changes from Policy Update 99-22.

[MS 0300](#) is revised to change Central Office to Quality Central.

[MS 0302](#)-[MS 0333](#) is revised to change the subchapter to 0300-0349.

[MS 0307](#) is revised for grammatical changes.

[MS 0350](#) is revised and [MS 0351](#), [MS 0352](#), [MS 0353](#), [MS 0354](#) and [MS 0355](#) are added to incorporate Policy Update 97-1MC, Kentucky Health Care Partnership Plan.

[MS 0400](#) and [MS 0408](#) are revised to update the name and address of the KenPAC Customer Services Branch. MS 0400 is revised to change K-TAP and Family MA to Medicaid.

[MS 0410](#) is revised to correct non-KenPAC counties.



[MS 0427](#) is revised to clarify KenPAC provider information and change the KenPAC Program address and phone number. MS 0427, B is revised to change Quality Central to DMS.

[MS 0459](#), [MS 0500](#) and [MS 0512](#) are revised to reflect Department name changes and phone numbers.

[MS 0559B](#) is deleted, as timely notices are computer generated and the recipient can no longer sign a waiver for non-receipt.

[MS 0577](#) is revised to update the name of the Accounts Management Branch.

[MS 0595](#) is revised to change reference from Regional Manager to SRA or designee.

MS 0601 is revised to remove reference to form PA-31. Use of form PA-31 is a regional decision.

MS 0604 is revised to reflect the name change from the Division of Field Services to the Division of Family Support and Field Services Administrator to Service Region Administrator (SRA) or designee.

MS 0607A is revised to change reference from MS 0568 to MS 0574.

MS 0651 is revised as the result of a Food and Nutrition Service (FNS) clarification to state newborns may be certified up to six months without having an SSN prior to having to show good cause.

MS 0703 is revised to add the Federal benefit rate for Black Lung.

MS 0712, MS 0715, MS 0718, and MS 0721 are revised to change the name AIS/MR to SCL.

MS 0725 is created to add standard conversion of QDWI, QMB, SLMB, QI1 and QI2. This was removed from Volume IVA.

MS 1110 and MS 1115 is revised to incorporate OM Policy Update 99-18, 10/1/99, Child Care Assistance Program.

MS 1915 and MS 1930 are revised for grammatical changes.

MS 1940 is revised to update the name and address of the Operation Support Branch.

MS 1947 is revised to add computer match in subtitle.

MS 2000, item A, 8 is revised to clarify eligibility for an alien parolee.

MS 2075 is revised to incorporate Policy Update 99-28, Changes in Time-limited Medicaid for Aliens.

Volume IV, Table of Contents is revised to add MS 2890, MS 2891, MS 2892 and MS 2893. In addition, the section JTPA is changed to Workforce Investment Act (WIA) and the reference to the E/T category is changed to AFDC Related MA. The section Application Process is changed to Standard Filing Unit. The Table of Contents is also revised to change E and T category to AFDC Related MA and to remove the words Financial Eligibility from the subchapters of the Financial Eligibility Chapters.

MS 1050 is revised to add AFDC Related MA definition and change Family Related MA to Family MA and AFDC Related MA, remove the word "tax" out of Earned Income Tax Credit, add Kentucky Children's Health Insurance Program (KCHIP), and change the Department for Social Insurance to Department for Community Based Services. The section is also revised to add an SSI recipient is included in the Stepparent Family Size and revise the definition of child and remove the eligibility requirements.

MS 1070 is revised to incorporate the KCHIP categories of P4, P5, P6 and P7 and definition for C and W is revised for clarity.

MS 1270 is revised to clarify a child with income that exceeds MA Scale may be excluded from the case, if that income keeps the otherwise eligible MA eligible parent from receiving.

MS 1280, item K is deleted as it is duplicate information. Item G is deleted as we no longer sanction SR or SP's in K-TAP and remove them to a separate MA case. In addition, wording is revised in items B, D3 and F.

MS 1310 is revised to change reference from Vol. III to reference Vol. I.

MS 1400 is revised to add managed care information.

MS 1410 is revised for grammatical changes.

MS 1450 is revised to remove reference to microfiche and refer to RDS for the storage of notices.

MS 1550 is revised to add "T" cases.

MS 1560 is revised to remove reference to obsolete forms.

MS 2020 is revised to change reference from Vol. III to reference Vol. I and to clarify student and tourists eligibility.

MS 2200, item B, 3 is revised to change referral from KAMES to KASES.

MS 2210 is revised to clarify when to do MSE for an SSI child.

MS 2250 is revised to incorporate procedures from ICC-97-14-412, Child Support Referral.

MS 2260 is revised to change AFDC to K-TAP.

MS 2560 is revised to change MA joint custody to follow K-TAP joint custody policy.

MS 2600 is revised to incorporate "T" cases and to incorporate changes in unemployment cases, such as no longer having a principal wage earner.

MS 2605 is deleted as Prior Labor Market attachment is no longer processed.

MS 2610 and 2615 is revised to change AFDC to K-TAP, DSI to DCBS and add "T" cases.

MS 2620E is revised to clarify case responsibility for foster care.

MS 2630C is revised to clarify how to consider a foster care child in a spend down.

MS 2640 is revised to clarify case responsibility.

MS 2650 is revised to add states to the compact Interstate Adoptions and Medical Assistance.

MS 2850 is revised to add a clarification concerning newborn children. In addition, item D3 is removed as it is in Volume VI.

MS 2870 is revised to clarify the MA Scale.

MS 2890, MS 2891, MS 2892 and MS 2893 are created to add KCHIP children.

MS 3100 is revised for a grammatical change.

MS 3110 is revised to state, that you consider the resources and income of the SR only, if the children are not included in the case, and revised for clarity.

MS 3130 is revised to add reference to MS 2670.

MS 3400 is revised to state the total equity value of one automobile is excluded and \$4,500 is excluded from the total equity value of all other nonexcluded automobiles.

MS 3450 is revised to add new income scales from Policy Update No. 00-9.

MS 3530 is revised to remove reference to "Defra", and to remove "spousal and up to" out of item B.

MS 3785 and MS 4368 are revised to change JTPA to WIA, Workforce Investment Act.

MS 3810 is revised to remove an incorrect example.

MS 3850 is revised to change AFDC to K-TAP, JTPA to WIA and the GI Bill to the Montgomery GI Bill. This section is also revised to add FAD payments and KWP supportive services payments to the list of excluded income.

MS 4300 - MS 4535 are revised to change the chapter title from "E/T Category" to "AFDC Related MA" and remove "Financial Eligibility" from the subchapter titles.

MS 4305 is revised to change E/T to AFDC Related MA and incorporate program changes and add information concerning deprivation.

MS 4320 is revised to state one motor vehicle is excluded. This section is also revised to totally exclude one motor vehicle from resource considerations and incorporates OM Policy Update No. 00-1.

MS 4325 is revised to remove Individual Development Accounts, and to clarify when to exclude EIC as a resource.

MS 4355 is deleted as it does not apply to AFDC Related MA.

MS 4360 is revised to clarify rounding procedures.

MS 4365 is revised to add FAD to the list of excluded income and to change GI Bill to Montgomery GI Bill. This section is also revised to change JTPA to WIA and add new employment 2-month exclusion.

MS 4367 is revised to reflect change in excluded income of a child in full-time school attendance.

MS 4372 is revised to remove the statement "DO NOT round the result" from item C. 2.

MS 4374 is revised to add consideration of the \$50 disregard.

MS 4377, item B.5, is revised to remove reference to form PA-1.1C, Supplement B and form PAFS-126.

MS 4379 is revised to remove reference to the Applicant Eligibility Test.

MS 4380 is revised to remove the examples in item A and is reworded for clarity. This section is also revised to remove reference to the PA-30.1.

MS 4385 is revised to remove reference to form PA-30A, and to add how to consider stepparent, parent or spouse remaining lump sum income after month of receipt.

MS 4390, item B.2, is revised to remove the statement "DO NOT round the result".

MS 4405 is revised to remove the statement "DO NOT round the result" from item B.1.b.

MS 4440 is revised to change the name of the section to "Workforce Investment Act (WIA) Income" and change all references to JTPA to WIA.

MS 4478 is revised to remove reference to the Automated Budget Program, PA-30.1.

MS 4480 is revised to remove reference to the Applicant Eligibility Test.

MS 4485 is revised to remove the statement that earnings of a "E" or "T" child in full-time school attendance is only excluded up to 6 months in a calendar year. This section is also revised to delete reference to the Applicant Eligibility Test.

MS 4490 is removed, as the Applicant Eligibility Test is not applied to "E" and "T" cases.

MS 4495 is revised to remove reference to the Applicant Eligibility Test.

MS 4526 is revised to delete reference to the PA-30.1.

#### Volume IVA

Volume IVA, Table of Contents is revised to change DSI to DCBS and to add MS 1353, MS 1615, 2055, 2056, 3030, 3031, 4655, 4752 and MS 4755 and delete MS 4540 and MS 4760. The name of MS 2800-2899 is changed from "AIS/MR" to "Supports for Community Living (SCL)". The name of MS 5180 is changed from "Program Transfer" to "Category Change".

MS 1010 is revised to clarify the definition of SSI and add definition of Model Waiver I and II.

MS 1250 is revised to change the MS name to "DCBS Responsibilities".

MS 1260 is revised to change reference to "QMB, QDWI and SLMB Cases" to "Medicare Qualified MA Cases" and to change wording in A to Qualified Medicare Beneficiaries.

MS 1270, MS 1290, MS 1300, MS 1320 and MS 1330 are revised to remove reference to the Office of Inspector General (OIG) and add reference to DMS.

MS 1280 is revised to add reference to managed care and to delete item A.

MS 1290 is revised to update the address for DMS, Division of Member and Provider Services.

MS 1300 is revised to clarify Lock-In change procedure.

MS 1310 is revised to change the title to "DMS Responsibilities".

MS 1320 is revised to change caseworker to worker.

MS 1353 is added to move Eligibility for Entitled Benefits from Volume I to Volume IVA.

MS 1360 is revised to change DSI to DCBS.

MS 1560 is revised to state an applicant's statement is excepted as verification of SSN.

MS 1570 is revised to change the referenced manual section and volume on aliens, and to delete the references concerning use of form PA-14. Information regarding the birth of a child to a non-qualified or illegal alien is also deleted.

MS 1610 is revised to clarify MA coverage when in a penal or mental institution.

MS 1615 is created to add home clarification concerning incarceration the request of DMS.

MS 1720 is revised to add Life-Time workers compensation.

MS 1880 is revised to clarify insurance payments for a home.

MS 1880, 1940, 2050, 2800, 2810, 2820, 2830, 2840, 2850, 2860, 2870, 2880, 2890, 2895, 3900, 4450, 4460 is revised to change reference to AIS/MR to SCL.

MS 1940 is revised to remove reference to MS 2080.

MS 2050 and MS 2056 are revised to add Life Estates penalty period calculations to manual.

MS 2055, Calculating Life Estate Transfers, is created to add the steps to determine the value of a life estate.

MS 2056, Life Estate Table, is created to provide information needed in the calculation of the value of a life estate.

MS 2080 is revised at the request of DMS and to clarify look back period.

MS 2470 is revised to add VA Compensated Work Therapy as excluded income and to change GI Bill to Montgomery GI Bill.

MS 2610 is revised to clarify the SSI spouse's income.

MS 2670 is revised to add reference to managed care.

MS 2730E is revised to clarify how to consider a spouse's medical expenses when they receive SSP caretaker services.

MS 2900 is revised to clarify HCBS for an institutionalized person.

MS 3030 is created to add the Personal Care Assistance (PCA) information from Policy Update 99-30.

MS 3031 is created to add the Homecare Waiver (HW) information from Policy Update 99-30.

MS 3050 is revised to add information about form MAP-403.

MS 3060 is revised to update the Hospice Payment Rates and change the title from Hospice Service Areas to Hospice Rates.

MS 3070 is revised to provide clarification on Hospice Bed Certification.

MS 3160 is revised to change references to Family Related MA to Related MA.

MS 3480 is revised to add unpaid private pay charges as an example of an allowable deduction and to clarify deductions must be reported at the time of application.

MS 3650 is revised to add information on Medicaid forms for vendor payment.

MS 4170C is revised for grammatical changes.

MS 4180 is revised to clarify that concurrent receipt of SSI/SSP and RSDI is not a requirement for the Disabled Adult Child (DAC) category of Pass Through. The MS is also revised to state that this category of Pass Through does not require a COLA to determine eligibility and to reflect the name change from Central Office to Quality Central.

MS 4190 is revised to delete repetitive wording and to clarify that the Early Widows and Widowers with no Medicare Part A do not have to receive SSI/SSP concurrently with RSDI to be considered for Pass Through eligibility. Also, this category of Pass Through does not require a COLA before determining eligibility.

MS 4200 is revised to clarify that the Pass Through category of Disabled Widows and Widowers with no Medicare Part A, does not have to receive a COLA before determining eligibility.

MS 4240 is revised to allow a deduction from income of an ineligible spouse to bring a minor dependent child's income up to one half of the SSI standard on Pass Through.

MS 4330, MS 4470 and MS 4600 are revised with corrected income limits.

MS 4460 is revised to clarify the SSI benefits of a technically eligible spouse are countable income in Qualified Medicare Beneficiaries cases.

MS 4470 is revised to change the QMB Income scale.

MS 4540 and MS 4597 are obsolete and moved to conversions in Volume I.

MS 4595 is revised to correct the manner in which a spend-down is worked when there is an active "Z" case.

MS 4600 is revised to change QI1 and QI2 income limit.

MS 4655 is added to Vol. IVA from Volume V as Volume V is obsolete.

MS 4670 is revised to correct the SSI standards and to change MA to Medicaid in item B.1. and add an unoccupied homestead property as an example.

MS 4752 is added to incorporate Policy Update 99-16, Grandfathered Disabled Children.

MS 4755, SSI Discontinuance – Not Disabled, is added to continuation of MA eligibility for cessation of disability cases is allowed when a hearing is requested.

MS 4760 is deleted as Central Office staff no longer have responsibility for redetermination of SSI discontinued individuals. This process is now completed by local office.

MS 4770 B is revised for clarification.

MS 4930 is revised to clarify the application process for State Supplementation.

MS 5140 is revised to clarify how income is counted for couples living apart and one is applying for or receiving SSP.

MS 5180 is revised to clarify procedures for a program transfer of FP, GP, HP to JKM.

MS 5190 and MS 5200 are revised to include KAMES processing and delete the DSS notification requirement.

#### Volume V

After careful consideration and in an effort to streamline the Operations Manual, Volume V, Special Programs, is obsolete with this transmittal. Much of the information contained in Volume V is either outdated or could be more effectively presented in another location.

Resource directories and other primary sources have rendered the referral services information unnecessary. Technical eligibility information related to Federal statutory benefits is moved to Volume IVA. Benefit standards for RSDI, SSI, and Black Lung are moved to Volume I, Subchapter Federal Benefits Conversion. A partial listing of these standards is already located there.

Dietra Paris, Commissioner



COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 233  
June 1, 2000

TO: All Field Staff

SUBJECT: ETP and ABAWD Revisions

Volume IIA

The [Table of Contents](#) for Volume IIA is revised to add the renamed [MS 8100](#), Up Front Assessments, and renumber [MS 8110](#), ABAWD Assessment Interview.

[MS 6100](#) is revised to remove the reference to Department for Social Insurance (DSI).

[MS 1050](#), [MS 3250](#), [MS 5550](#) and [MS 8200](#) are revised to remove references to JTPA and replace them with the Work Investment Act (WIA).

[MS 3400](#), [MS 6100](#) and [MS 7050](#) are revised to remove inappropriate references to the Department for Employment Services (DES).

[MS 1550](#) is revised to add the statement that target codes must be correctly assigned in all 120 counties.

[MS 1600](#) is revised to clarify that non-exempt ABAWDS may choose WEP participation as one means of complying with ABAWD requirements.

[MS 1650](#) is revised to delete a reference to obsolete OM Policy Update 99-1, MS 99485, 1/1/99. This section is further revised to clarify that in order to receive an exemption the case record must contain verification that the incapacitated individual requires care from the person seeking the exemption.

[MS 2200](#) is revised to correct the text of the referenced spot check, "IM 416 Exists - Enter 310 or 316".

[MS 3050](#) is revised to delete the currently inactive ETP counties and add the counties newly activated 1/1/00.

[MS 3050](#) and [MS 3200](#) are revised to add references to the up front assessment process.

[MS 3250](#) is revised to delete references to obsolete components.

[MS 3400](#) is revised to delete spot check references to DES and replace them with ETP. This section is further revised to add the spot checks "ABAWD Placed in VES" and "VES Placement has Terminated".

[MS 5700](#) is revised to add a VES reference and delete a reference to obsolete OM Policy Update 98-9, MS 99461, 4/1/98.

[MS 4200](#) is revised for clarity.

[MS 8050](#) is revised to add a reference to the up front assessment.

[MS 8100](#) is renamed and incorporates procedures for the up front assessment. The assessment is conducted as part of the food stamp application process for non-compliant ABAWDS wishing to meet ABAWD requirements through WEP or VES participation.

[MS 8110](#) is created to incorporate initial interview procedures. These procedures were previously contained in MS 8100.

[MS 8150](#) is revised to include the changes in the follow-up interview procedures required as a result of the up-front assessment.

[MS 8175](#) is revised to add references to the up front assessment.

[MS 8200](#) is revised to change JTPA to WIA and also for clarity.

[MS 8700](#) is revised to include the up front assessment and to clarify that ABAWDS who complete an up front assessment are not eligible for the \$25 reimbursement until the follow-up interview.

OMPU 98-25, 9/1/98 and OMPU 98-30, 11/1/98 were omitted from the Remove and Destroy in OMTL #228, 7/1/99. It is added to this transmittal.

DIETRA PARIS, COMMISSIONER

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 232  
June 1, 2000

To: All Field Staff  
Subject: EBT Manual Incorporation

Volume I

The [Table of Contents](#) is revised to add the newly created [MS 1660](#).

[MS 1581](#) is revised to add procedures for using food stamp recipients' EBT benefits to repay an established claim.

[MS 1660](#) is created to incorporate EBT trafficking procedures.

Volume II

The [Table of Contents](#) is revised due to the change of food stamps from coupons to electronic benefits. Several manual sections were deleted because the new benefit transfer technology made various sections obsolete.

The Table of Contents is also revised to add the newly created [MS 8100](#). This manual section provides procedures for issuing EBT benefits.

The following manual sections were revised or renumbered and/or retitled to reflect the change from coupon benefits to electronic benefits and the incorporation of the EBT Handbook into the Food Stamp Handbook: [MS 2002](#), [MS 2004](#), [MS 2500](#), [MS 2520](#), [MS 2600](#), [MS 2630](#), [MS 2640](#), [MS 2650](#), [MS 2660](#), [MS 2770](#), [MS 2780](#), [MS 3800](#), [MS 3830](#), [MS 3860](#), [MS 6420](#), [MS 6440](#), [MS 6500](#), [MS 8000](#), [MS 8010](#), [MS 8020](#), [MS 8030](#), [MS 8040](#), [MS 8050](#), [MS 8060](#), [MS 8070](#), [MS 8120](#), [MS 8130](#), [MS 8140](#), [MS 8200](#), [MS 8210](#), [MS 8220](#), [MS 8230](#), [MS 8240](#) and [MS 9000](#).

[MS 8110](#) is created to incorporate procedures for explaining time limits for using EBT benefits.

[MS 8130](#) is created to incorporate procedures for EBT inquiry.

MS 8090 was changed to [MS 8240](#).

The following manual sections are deleted to reflect the change from coupon to electronic benefits and because the new technology removed the need for direct mail and direct delivery counties: MS 8225, MS 8235, MS 8245, MS 8250 and the entire section of MS 8300-8399.

DIETRA PARIS, COMMISSIONER

COMMONWEALTH OF KENTUCKY  
Cabinet for Families and Children  
Department for Community Based Services  
Frankfort, Kentucky

Operation Manual  
Transmittal Letter No. 231  
June 1, 2000

To: All Field Staff

Subject: FNS Clarification Incorporation for I and II

As a result of a review of Kentucky's Food Stamp Handbook by the Food and Nutrition Service (FNS), several manual sections require revision. These revisions were made to ensure Kentucky's food stamp policy is in compliance with federal regulations or to clarify policy. The revisions are as follows.

Volume I

[MS 0659](#) is revised to add that newborns may be certified up to six months without an SSN, prior to having to show good cause.

[MS 1623](#) is revised to remove references to collecting claims simultaneously unless the household voluntarily allows such collection.

[MS 1736](#) is revised to state that second level drug related violations and any violations involving guns lead to permanent disqualification from the program.

Volume II

[MS 3060](#) is revised to add that deeming policy does not apply to indigent or battered aliens.

[MS 3160](#), [MS 3170](#) and [MS 5045](#) are revised to incorporate OM Pol. Upd. No. 99-29 which states that categorical eligibility is expanded to include households where at least one member receives or is authorized to receive TANF cash benefits, such as K-TAP, Kinship Care and/or Employment Retention (ER) Services.

[MS 3175](#) is revised to make a grammatical change.

[MS 5040](#) is revised to state that one inaccessible funeral agreement may be excluded as a resource per household member, provided that the agreement does not exceed \$1,500 in equity value.

[MS 5210](#) is revised to state that Public Assistance (PA) vendor payments are excluded as income. It is also revised to state that payments made to severely physically disabled adults to purchase attendant care services are excluded from income and resource consideration. It is further revised to state ERA (Employment Retention Assistance) payments are considered excluded income.

Division of Family Support

Operation Manual  
Transmittal Letter No. 558  
1/1/2020

Subject: ABAWD BONUS months

Volume IIA

[MS 2750](#), BONUS months are defined in the first paragraph along with specifying these do not need to be requested by the client. Item F. clarified process that E&T designated workers enter BONUS months on Worker Portal.

[MS 5320](#) is revised to state that the Child Adult Care Food Program (CACFP) meal rate can be used to calculate the cost of doing business for day care operators.

[MS 5495](#), [MS 5498](#) B & E, and [MS 5500](#) E are revised to reflect the changes in the SUA, BUA, and telephone standards.

[MS 5650](#) is revised to state that households receiving Federal or State Assistance payments on a recurring monthly basis do not have their income from these sources varied due to changes in mailing cycles which cause two payments to be received in one month and none in the next month.

[MS 6600](#) is revised to add that if a household is determined to be eligible only for the application month but ineligible for subsequent months, allow the system to approve the case for the application month and deny the subsequent months. Staff should not shorten the certification period to one month. This revision is being made at the request of KAMES staff.

The following manual sections are revised to correct the headers: MS [3050](#), [MS 5040](#), [MS 5210](#), [MS 5320](#), [MS 5650](#) and [MS 6600](#).

DIETRA PARIS, COMMISSIONER