

STATE OF ALASKA
Department of Health and Social Services
Division of Public Assistance

DATE: April 20, 2007

SUBJECT: Adult Public Assistance Manual Change #15

This manual change includes the aligned education income policy and updates the income eligibility standards announced by broadcast on November 29, 2006. As part of an ongoing effort to align income and resource policies across programs, to the extent possible we have presented education income policy in the same format and language in the Alaska Temporary Assistance, Family Medicaid, and Food Stamp program manuals.

This change also includes the program's annual Cost of Living Allowance (*COLA*) adjustments. Each year the Adult Public Assistance need and maximum payment standards are adjusted to reflect the *COLA* increase in Social Security benefits. This year the *COLA* increase is 3.3%. This manual change incorporates the 2007 standards, which become effective with the benefit month of January 2007. The *COLA* adjustment also causes:

- An increase in the income limit for Substantial Gainful Activity; and
- An increase in the student earned income exclusion.

Several minor clarifications and technical changes are also included. Highlights of these policy revisions are described below. If you have any questions please contact any member of the Policy and Program Development Team at 465-3347 or email dpapolicy@health.state.ak.us.

OVERVIEW OF CHANGES

MS 426-2C(3), Disabled APA Applicants Required to Submit an *AD #2* Form

- Updates the mailing address for the Division's Medical Reviewer to include the correct suite # and zip code.

MS 426-2E, *IAR* Authorization Requirement

- Clarifies that a completed Interim Assistance Reimbursement (*IAR*) Authorization form must be provided to Social Security within 30 calendar days, instead of 10 working days.

MS 426-8A, Blindness or Disability Exam Costs

- Corrects the cross reference for issuing a Medicaid authorization to add the Aged, Disabled, and Long Term Care Medicaid manual section.

MS 432-4K, Education Assistance

- To the extent possible, this section was revised to present policy in the same format and language as in the Alaska Temporary Assistance, Family Medicaid, and Food Stamp program manuals.
- Clarifies that education assistance provided under Title IV of the Higher Education Act or a Bureau of Indian Affairs student assistance program is totally excluded from resources, regardless of how long the funds are kept.

MS 442-3A(7), Education Assistance

- To the extent possible, this section was revised to present policy in the same format and language as in the Alaska Temporary Assistance, Family Medicaid, and Food Stamp program manuals.
- Clarifies that education assistance is treated the same way, regardless of whether it is received by an undergraduate student or a graduate student.

Addendum 1, Program Standards

- Updates program standards to reflect the *COLA* changes for 2007.

Persons who receive SSA disability payments, and persons who have been determined eligible to receive SSA disability benefits but are serving their five-month waiting period, meet the blindness/disability criteria for **IA** .

These individuals are not required to have a medical exam or an assessment by the Division's Medical Reviewer, as described below.

2. Blind APA applicants required to submit an **AB #3 form**

An individual who is blind must be examined by a physician skilled in diseases of the eye or an optometrist, as specified in Manual Section [425-2A](#). The results of this examination must be provided on a Review Report on Aid to the Blind (**AB #3**) form,. If a medical provider refuses to complete the **AB #3** form, the caseworker should advise the applicant to go to a different provider for completion of the form.

The **AB #3** form must be checked "Yes" or "No." A "Yes" is evidence of blindness for Interim Assistance. A "No" shows ineligibility for Interim Assistance. When determining blindness for Interim Assistance, only the **AB #3** form needs to be completed. The caseworker will accept the judgment of the medical provider as noted on the **AB #3** . It is not reviewed by any other authority.

If Interim Assistance is not approved, the APA application must be pended for an eligibility decision from the **SSI** program so that eligibility for regular APA and Medicaid can be determined.

3. Disabled APA applicants required submit an **AD #2 form**

An individual who has a disability other than blindness must be examined by a physician or psychiatrist, as specified in Manual Section [425-2A](#). The results of this examination must be provided on an, Preliminary Examination for Interim Assistance (**AD #2**) form. If a medical provider refuses to complete the **AD #2** form, the caseworker should advise the applicant to go to a different provider for completion of the form.

In some cases, the Medical Reviewer may need to ask a medical provider for information. To assist in this process the caseworker should obtain a completed Authorization for Release of Protected Health Information (Gen 150) form.

Once a completed **AD #2** is received, the caseworker will immediately fax the **AD #2** form, any completed release forms, and any supporting documents to:

Medical Reviewer
Division of Public Assistance
3601 C Street, Suite 814
Anchorage, AK 99503
Phone: (907) 269-0064
Fax: (907) 269-0962

The Medical Reviewer will assess the individual's disability using the examination results reported on the **AD #2** form and any supporting documents or information, and decide whether the applicant meets **SSI** disability criteria.

When making a disability assessment, the Medical Reviewer will consider whether the:

- Applicant's condition meets the **SSI** presumptive disability criteria or another impairment category used by Social Security to determine a person's disability status;
- Medical information provided by the applicant or received by the Department documents the applicant's impairment;
- Impairment affects the individual's activities of daily living;
- Applicant can work, including sedentary work;
- Impairment has lasted, or is expected to last, for a continuous period of at least 12 months.

Once the assessment is completed, the Medical Reviewer will document the disability decision on the **AD #2** form and advise the caseworker of the approval or denial by fax or e-mail.

- **IA Disability Approved**

If approved, the caseworker will open an Interim Assistance case if the individual meets all other factors of eligibility for *IA*. The APA application is pended for an eligibility decision from the *SSI* program so that eligibility for regular APA and Medicaid can be determined. *EIS* notice **P105, *IA* Approved – APA Held**, may be used for this purpose.

- ***IA* Disability Denied**

If denied, the caseworker will pend the APA application for an eligibility decision from the *SSI* program so that eligibility for regular APA and Medicaid can be determined. *EIS* notice **P304, APA Held – *IA* Denied**, may be used for this purpose.

In some situations, an applicant may choose to submit additional medical information after the Medical Reviewer determines the applicant is not disabled. When this happens, the Medical Reviewer will consider the new information and re-determine the applicant's disability status. New medical information may be submitted at any time.

426-2 D. AGED APPLICANTS

Processing times for *SSI* applications based on age are usually much faster than for individuals applying based on disability or blindness. In most cases, the *SSI* decision for old age cases will be made within the 30-day APA application processing timeframe, and eligible cases can be opened in regular APA coverage. If, however, no *SSI* decision is reached within the APA application processing timeframe, aged applicants may receive Interim Assistance pending the *SSI* eligibility decision. An interim blindness or disability determination is not required for aged applicants.

426-2 E. *IAR* AUTHORIZATION REQUIREMENT

APA applicants must sign an Interim Assistance Reimbursement (*IAR*) authorization form to receive Interim Assistance benefits. The *IAR* authorization is not, however, an eligibility requirement for regular APA benefits. The signed *IAR* authorization is necessary only if the applicant wishes to receive *IA* benefits while waiting for a decision on his or her *SSI*

application. APA applicants who appear eligible for Interim Assistance must be given the choice of either signing or not signing the *IAR* authorization form.

The *IAR* authorization may be provided to the APA applicant during the interview process, or if this is not possible, the caseworker may send *EIS* notice, **P021, *IAR* Authorization Needed**, and mail the *IAR* authorization form separately to the client at the same time.

When a signed *IAR* authorization is received, the caseworker must:

- Complete the bottom portion of the authorization form that is reserved for office use and send the original copy to the appropriate SSA office within 30 calendar days of the date the signed authorization was received by DPA . (The date the authorization was received by DPA is entered on the form as the date received.)
- Enter the date the authorization was received by DPA into *EIS* on the APAS screen. (The Claims Unit will use this date when calculating an *IA* recipient's reimbursement obligation.)

If otherwise eligible, Interim Assistance under this provision begins the month a signed *IAR* authorization is received in a DPA office. **APA applicants who do not sign an *IAR* authorization are not eligible for Interim Assistance.**

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426-8 ELIGIBILITY FOR MEDICAL ASSISTANCE

Eligibility for Interim Assistance does not convey automatic eligibility for either Medicaid or Chronic and Acute Medical Assistance (*CAMA*). However, there are certain circumstances in which medical assistance may be available to *IA* applicants or recipients.

426-8 A. BLINDNESS OR DISABILITY EXAM COSTS

The *SSI* application process for benefits based on disability or blindness includes a comprehensive evaluation of the applicant's physical or psychological condition. In Alaska, these evaluations are performed by Disability Determination Service (*DDS*) of the Division of Vocational Rehabilitation.

DPA will not authorize any Medicaid or *CAMA* coverage for transportation, escorts, lodging, or examinations for any client whose disability or blindness is to be determined by the *DDS*. The *DDS* sets up the entire exam process, pays all expenses, and bills the Social Security Administration for the cost of the examination.

Medicaid does pay for any necessary costs of getting a completed *AD #2* or *AB #3*. This examination is a Medicaid covered expense. See Aged, Disabled, and Long Term Care Medicaid manual section 501 for instructions for issuing Medicaid authorizations for *AD #2* or *AB #3* examinations.

426-8 B. CHRONIC AND ACUTE MEDICAL ASSISTANCE

Interim Assistance recipients may also qualify for Chronic and Acute Medical Assistance (*CAMA*) services if all eligibility criteria for the *CAMA* program are met, including the need for a *CAMA* covered service. See the *CAMA* manual for *CAMA* eligibility criteria.

The \$280 Interim Assistance payment, which must be counted in the *CAMA* eligibility determinations, is less than the \$300 individual need standard for the *CAMA* program; therefore, *IA* recipients with no other income may be income-eligible for *CAMA*.

- *A collateral contact with the federal project or agency that issued the relocation assistance payment.*
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432-4 J. LIMITED EXCLUSION OF STATE OR LOCAL RELOCATION ASSISTANCE PAYMENTS

Unspent relocation assistance provided by a state or local government for a project that does not have any federal involvement is excluded from resources for 9 calendar months following the month of receipt.

Interest earned on unspent relocation assistance payments is not excluded from either income or resources.

Verification. *To be excluded from resources under this provision, evidence must show that the payment is relocation assistance. Acceptable evidence includes:*

- *A letter or check stub that indicates the reason for the payment; or*
 - *Any other document that indicates the reason for the payment; or*
 - *A collateral contact with the state or local agency that issued the relocation assistance payment.*
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432-4 K. EDUCATION ASSISTANCE

1. Title IV Higher Education Act and Bureau of Indian Affairs Grants and Awards

The total amount of any grant, scholarship, or award issued under any program funded under the Title IV of the Higher Education Act or under a Bureau of Indian Affairs (*BIA*) student assistance program is excluded from resources, regardless of use.

Payments that fit this category include:

- Pell Grants
- State Student Incentive Grants (SIG)

- Academic Achievement Incentive Scholarships
- Byrd Scholars
- Federal Supplemental Educational Opportunities Grants (FSEOG)
- Federal Educational Loans (Federal PLUS Loans, Perkins Loans, Stafford Loans, Ford Loans, etc.)
- Upward Bound
- Gear Up (Gaining Early Awareness and Readiness for Undergraduate Programs)
- LEAP (Leveraging Educational Assistance Partnership)
- SLEAP (Special Leveraging Educational Assistance Partnership)
- Work-Study Programs

Verification.

*Verify that the source of the education assistance is Title IV or **BIA** by viewing the individual's award letter. Contact the awarding institution if the award letter is not available or is unclear.*

2. Other Education Assistance

Educational Assistance from public or private agencies that is not received under Title IV of the Higher Education Act, or under a Bureau of Indian Affairs student assistance program, is excluded from resources for nine (9) calendar months only to the extent that the assistance is used or set aside to pay for school attendance costs.

Educational assistance that falls into this category includes Department of Veterans Affairs educational assistance and scholarships from Native organizations.

Educational assistance that is provided directly to an applicant or recipient in the form of cash by a private individual, such as a parent, is considered to be a gift and is also excluded from resources under this provision.

School attendance costs are tuition and fees, including costs for rental or purchase of any equipment, materials, or supplies required by all students in the same course of study. School attendance costs also include allowances for books, supplies, transportation, and miscellaneous personal expenses necessary for a student to attend school on at least a half-time basis.

From the total amount of educational assistance, subtract all expenses paid or reasonably anticipated to be paid for school attendance costs, including expected child care costs necessary for the client to attend school.

Any remaining funds are considered a resource the month following their receipt, unless otherwise excluded.

Verification.

*Verify the total amount of all educational assistance provided by a public or private agency, which is not received under Title IV of the Higher Education Act of 1965, or under **BIA** student assistance programs, by viewing documentation from the school or from the source of the assistance.*

432-4 L. ALASKA NATIVE CLAIMS SETTLEMENT ACT (ANCSA**) ASSETS**

The Alaska Native Claims Settlement Act (**ANCSA**) excludes the following items from the resources of an Alaska Native, or from the resources of a descendant of an Alaska Native:

1. Alaska Native Fund distributions.

Distributions from the original Alaska Native Fund are excluded from resources regardless of the amount distributed.

Relocation assistance provided by a state or local government for a project that does not have any federal involvement is excluded from income under Public Law 101-508. This exclusion applies to relocation assistance provided to persons displaced by any state, local, or state-assisted or locally-assisted project

Interest earned on unspent relocation assistance payments is not excluded from either income or resources.

Verification. *To be excluded from income under this provision, evidence must be submitted which shows that the payment is relocation assistance. Acceptable evidence includes:*

- *a letter or check stub that indicates the reason for the payment; or*
 - *any other document that indicates the reason for the payment; or*
 - *a collateral contact with the state or local agency that issued the relocation assistance payment.*
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7. Education Assistance

(a) Title IV Higher Education Act and Bureau of Indian Affairs Grants and Awards

The total amount of any grant, scholarship, or award issued under any program funded under the Title IV of the Higher Education Act or under a Bureau of Indian Affairs student assistance program is not counted as income in determining eligibility or benefit amount.

Payments that fit this category include:

- Pell Grants
- State Student Incentive Grants (SIG)
- Academic Achievement Incentive Scholarships

- Byrd Scholars
- Federal Supplemental Educational Opportunities Grants (FSEOG)
- Federal Educational Loans (Federal PLUS Loans, Perkins Loans, Stafford Loans, Ford Loans, etc.)
- Upward Bound
- Gear Up (Gaining Early Awareness and Readiness for Undergraduate Programs)
- LEAP (Leveraging Educational Assistance Partnership)
- SLEAP (Special Leveraging Educational Assistance Partnership)
- Work-Study Programs

Verify that the source of the education assistance is Title IV or *BIA* by viewing the individual's award letter. Contact the awarding institution if the award letter is not available or is unclear.

(b) Other Education Assistance

Education assistance that is not funded under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance program funds is excluded as income if it is used or will be used for paying tuition, fees, or other necessary education expenses at any educational institution, including vocational, technical, and correspondence schools, and schools for people with disabilities.

Any portion of education assistance that is not used or set aside for paying tuition, fees, or other necessary education expenses is countable unearned income.

(c) Budgeting Countable Education Income

1. Total all countable education assistance. Do not add any other type of earned or unearned income unless it is received specifically because of the student's status and is intended to pay education-related expenses.

2. Subtract from the above the costs for tuition and fees charged by the school.
3. Subtract the costs for books, school supplies, and any special clothing, tools, or other expenses of the student that are related to the cost of attending school.
4. Subtract costs for childcare necessary for the student to attend school.
5. Subtract costs for transportation (actual costs, such as bus pass or parking fees, or standard mileage rate permitted by *IRS*)
6. Count the remaining amount as income in the month the assistance is received.
7. Any amount of money retained after the month of receipt is evaluated as a resource under manual section [432-4K\(2\)](#).

8. Alaska Native Claims Settlement Act (*ANCSA*) payments

The Alaska Native Claims Settlement Act (*ANCSA*) excludes the following items from the income of an Alaska Native, or from the income of a descendant of an Alaska Native:

(a) Alaska Native Fund distributions.

Distributions from the original Alaska Native Fund are excluded from income regardless of the amount distributed.

(b) Stock.

Any stock issued or distributed by an *ANCSA* corporation (including stock issued as a dividend or distribution on stock) is excluded from income.

(c) Partnership Interests.

A partnership interest received from an *ANCSA* corporation is excluded from income. However, income received as a result of a partnership interest is treated as a cash distribution. (See (f) below.)

Addendum 1

PROGRAM STANDARDS

Substantial Gainful Activity (SGA)				
Year	2004	2005	2006	2007
Monthly Limit	\$810	\$830	\$860	\$900

Student Earned Income Exclusion				
Year	2004	2005	2006	2007
Monthly Limit	\$1,370	\$1,410	\$1,460	\$1,510
Annual Limit	\$5,520	\$5,670	\$5,910	\$6,100

IRS Mileage Allowance				
Year	2004	2005	2006	2007
Cents per Mile	37.5	40.5	44.5	48.5

Supplemental Security Income (SSI) Eligibility/Payment Standards				
Year	2004	2005	2006	2007
Individual, Independent Living (A Living Arrangement)	\$564	\$579	\$603	\$623
Individual, In Another's Household (B Living Arrangement)	\$376	\$386	\$402	\$415.34
Couple, Both Eligible Independent Living (A Living Arrangement)	\$846	\$869	\$904	\$934

Couple, Both Eligible, In Another's Household (B Living Arrangement)	\$564	\$579.34	\$602.67	\$622.67
Nursing Home Personal Needs Allowance (C Living Arrangement)	\$30	\$30	\$30	\$30

APA Need Standards

Year	2004	2005	2006	2007
Individual, Independent Living (A1E Household Type)	\$1,047	\$1,075	\$1,119	\$1,156
Individual, In Another's Household (B1E Household Type)	\$866	\$889	\$925	\$956
Individual, In Assisted Living Home (H1E Household Type)	\$1,047	\$1,075	\$1,119	\$1,156
Couple, One Eligible, Independent Living (A2S Household Type)	\$1,259	\$1,293	\$1,346	\$1,390
Couple, One Eligible, In Another's Household (B2S Household Type)	\$993	\$1,020	\$1,062	\$1,097
Couple, One Eligible, In Assisted Living Home (H2S Living Arrangement)	\$1,259	\$1,293	\$1,346	\$1,390
Couple, Both Eligible Independent Living (A2C Household Type)	\$1,551	\$1,593	\$1,658	\$1,713
Couple, Both Eligible, In Another's Household (B2C Household Type)	\$1,290	\$1,325	\$1,379	\$1,425

Couple, Both Eligible, In Assisted Living Home (<i>H2C</i> Living Arrangement)	\$1,551	\$1,593	\$1,658	\$1,713
Nursing Home Personal Needs Allowance (<i>NHP</i> Household Type)	\$74	\$74	\$74	\$74
Nursing Home Special Income <i>LTC</i> (300%) Standard (<i>NH3</i> Household Type)	\$1,656*	\$1,656*	\$1,656*	\$1,656*

* The Nursing Home Special *LTC* Income (300%) Standard was frozen in 2003.

APA Maximum Payment Standards				
Year	2004	2005	2006	2007
Individual, Independent Living (<i>A1E</i> Household Type)	\$926	\$941	\$965	\$985
Individual, In Another's Household (<i>B1E</i> Household Type)	\$744	\$754	\$770	\$783
Individual, In Assisted Living Home (<i>H1E</i> Household Type)	\$664	\$679	\$703	\$723
Couple, One Eligible, Independent Living (<i>A2S</i> Household Type)	\$1,085	\$1,100	\$1,124	\$1,144
Couple, One Eligible, In Another's Household (<i>B2S</i> Household Type)	\$840	\$850	\$866	\$879
Couple, One Eligible, In Assisted Living Home (<i>H2S</i> Living Arrangement)	\$664	\$679	\$703	\$723
Couple, Both Eligible Independent Living (<i>A2C</i> Household Type)	\$1,374	\$1,397	\$1,432	\$1,462

Couple, Both Eligible, In Another's Household (<i>B2C</i> Household Type)	\$1,107	\$1,122	\$1,146	\$1,166
Couple, Both Eligible, In Assisted Living Home (<i>H2C</i> Living Arrangement)	\$1,046	\$1,069	\$1,104	\$1,134
Nursing Home Personal Needs Allowance (<i>NHP</i> Household Type)	\$75	\$75	\$75	\$75

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