

DSS-4357EL

WGIUPD

**GENERAL INFORMATION SYSTEM**

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**DIVISION:** Office of Medicaid Management

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**TO:** Local District Commissioners, Medicaid Directors, Public Assistance Directors

**FROM:** Betty Rice, Director, Division of Consumer & Local District Relations, Office of Medicaid Management

Patricia Stevens, Deputy Commissioner, Division of Temporary Temporary Assistance, Office of Temporary & Disability Assistance

**SUBJECT:** Use of Categorical Codes and Definition of Aid to Families With Dependent Children Due to Unemployment (ADC-U)

**EFFECTIVE DATE:** Immediately

**CONTACT PERSON:** Upstate: Local District Liaison (518) 474-8216

NYC: (212) 268-6855

On October 06, 1999, GIS 99 MA/028 was issued to inform districts of the revised definition of Aid to Families With Dependent Children Due to Unemployment (ADC-U). The GIS explained that revisions to the federal rule eliminated the requirement that the principal wage earner be employed less than 100 hours to receive coverage under the Medicaid program. At that time, the Department established new categorical eligibility criteria for ADC-U.

Effective October 1, 1999, any two parent household which has identified one of the two parents as the principal wage earner, can be categorically eligible for ADC-U. This means that a parent can work more than 100 hours a month and be categorically eligible for ADC-U. The definition of "unemployment" for ADC-U purposes has always included "underemployment". There no longer is any limitation to the hours worked to be considered underemployed. Therefore, any two parent household could be categorically ADC-U.

Parents in intact households (two-parent families in which a child has been born to, or adopted by, both parents) previously categorized federally non-participating (FNP), will now be able to receive federally participating (FP) Medicaid coverage as either Low Income Families (LIF) or ADC-U-related Medically Needy. These parents should always be coded by using the appropriate deprivation code (categorical code 13 for LIF parents; code 21 for ADC-U-related Medically Needy parents). These parents are now eligible to spenddown to the Medically Needy levels if the family's medical expenses are sufficient to offset excess income and/or resources.

Reports continue to indicate that there are still a significant number of individuals in family cases that are being coded as FNP. This may partly be the result of GIS 99 MA/028 not being sent specifically to PA Directors. It

is important for TA and Medicaid workers to use the correct categorical code for Medicaid to claim FP. As is required for all ADC-U households, the case record must include a notation as to which parent identifies himself/herself as principal wage earner. Both parents must be coded with individual categorical codes for dependent relatives (either code 13 or 21). It is also important to use individual categorical codes 01 - 08 for all children who are categorically LIF, or 22 for children who are ADC-related medically needy (with a spenddown). This also applies to children under age 21 who are living on their own.

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Individual categorical codes for "no deprivation" (code 26 for LIF and 39 for Medically Needy) will rarely be used. They will be used ONLY for: (1) the father of the unborn living with a pregnant woman who has no other birth or adopted children in the household; (2) or a stepparent with no birth or adopted children in the household. Because those individuals did not qualify under the ADC program, they do not qualify categorically for FP. There are rare exceptions when the stepparent would be FP (i.e., the birth parent is on SSI).

NOTE: Individual categorical codes 11 and 12 should be used for managed care and reporting purposes when an adult is certified blind or disabled, rather than categorical codes 13 and 26 (LIF) and 21 and 39 (ADC-related).

Since there will no longer be any children categorized as "medically needy-no deprivation", code 25 should no longer be used. Categorical code 09 should only be used for single or childless couple adults.

This GIS does not address use of all individual categorical codes. Situations which are not mentioned are not affected. For instance, pregnancy, federal poverty levels and continuous coverage codes remain the same. We anticipate issuing a separate release on the use of all individual categorical codes, as well as an administrative directive on the revised definition of ADC-U.

If you have any questions, please contact your local district support unit representative.