

#### NEW MEXICO HUMAN SERVICES DEPARTMENT

P.O. Box 2348 Santa Fe, NM 87504-2348

INTERDEPARTMENTAL MEMORANDUM

MAD-GI: 06-03

**DATE:** July 19, 2006

TO: ISD AND MAD STAFF

FROM: CAROLYN INGRAM, DIRECTOR, MEDICAL ASSISTANCE DIVISION

HELEN NELSON, DEPUTY DIRECTOR, INCOME SUPPORT DIVISION

THROUGH: ROBERT D. BEARDSLEY, BUREAU CHIEF, CLIENT SERVICES BUREAU

BY: REBECCA SCHWARZ, CLIENT SERVICES BUREAU

**SUBJECT:** MEDICAID FOR CHILDREN AGES 0 – 5 YEARS

Higher earned income disregards and child care deductions apply to children ages 0-5 years, effective August 1, 2006. ISD2 has been programmed to perform the new eligibility criteria calculations after Misc. 1 and 2, July 14, 2006. The purpose of this GI is to illustrate what field workers will be seeing on ISD2 effective Monday, July 17, 2006.

ISD2 will determine eligibility for the <u>individual</u> child or children based on household circumstances. It will no longer determine eligibility on a "case" basis.

**Conversion:** All category 032 cases with children ages 0 – 5 years were converted using the new HHBG values which are Q, R, and Y in addition to L, M, and C on July 14, 2006. Children under age 6 years are now designated as either, Q, R, or a Y. Y is the equivalent of a C and requires co-pays for medical services the same as a "C" value. Children over age 6 will remain, M, or C. Note: Children <6 years that are designated as "C" before conversion, may be designated as a Q or a R after conversion because of the higher earned income disregard and child care deductions.

**Screen Changes:** Certain ISD2 screens have been modified to accommodate the new Category 032 rules. They are as follows:

**FACL** – Household Budget Group (HHBG) field will contain additional indicators for children 0 – 5 years of age. The new indicators are; Q, R, and Y. These new indicators are listed as valid values on the PF 2 help screen behind the FACL screen.

#### PF 2 (Valid Values) - "Q, R, and Y" have been added

L (applies to child > 6) = Below 133% FPL M (applies to child > 6) = Between 133% and 185% FPL C (applies to child > 6) = Between 185% and 235% FPL

Q (applies to child <6) = 032 Medicaid

R (applies to child <6) = Legislative 185% FPL

Y (applies to child <6) = SCHIP Medicaid FPL

When children turn age 6, ISD2 will automatically convert the child to the appropriate indicator or terminate the child's eligibility if no longer eligible on income. (SEE ATTACHMENT 1)

NOTE: There are no changes to the STATUS and REASON fields. What may be different is that for cases containing some children that are eligible and some children that are not eligible in the ongoing month, the STATUS field may reflect an "A" for active with a REASON code of "301". The ineligible child will reflect a HHBG indicator of "F".

#### EI 2 – (PF6 - DEPENDENT CARE WORKSHEET)

For each child, the worker will enter the same information as is currently done. Under the "DEPENDENT CARE AMT X NO OF HOURS RECEIVED/PERIOD = AVERAGE DAYCARE PAYMENT" line, a field has been added to capture the "032 COMPUTED AMOUNT", which is the actual amount of dependent care. If there is no dependent care expense for any children, the worker does not have to complete the worksheet or the EI 2 screen. (SEE ATTACHMENT 2 and 2A) ISD2 will compute the allowable expense based on the age of the child. The amounts shown in the "FS COMPUTED AMOUNT" and in the "FA COMPUTED AMOUNT" fields will be what are allowed under the old AFDC program methodology or what is currently allowed for children through age 12 years.

#### EI 2 -

Under "DEPENDENT CARE AMOUNTS" a fourth line which reads "032-AMT:" has been placed under "TM-AMOUNT": The purpose of this line is to capture the actual amounts of day care expenses for <u>all</u> category 032 children only. These amounts must be entered <u>as well as</u> the worker calculated amounts on the TM-AMOUNT line for children using the methodology based on full/part time working status of the parent and the child's age. In the event no day care expenses are applicable for a child or children, the worker does not have to complete this screen. Do not make these entries for other than category 032 children. (SEE ATTACHMENT 3)

**FAEL** – (SEE ATTACHMENT 4) This screen now contains two separate columns for the eligibility calculations. The first column is "KIDS 0-5" and the second column reads "KIDS 6-OVER".

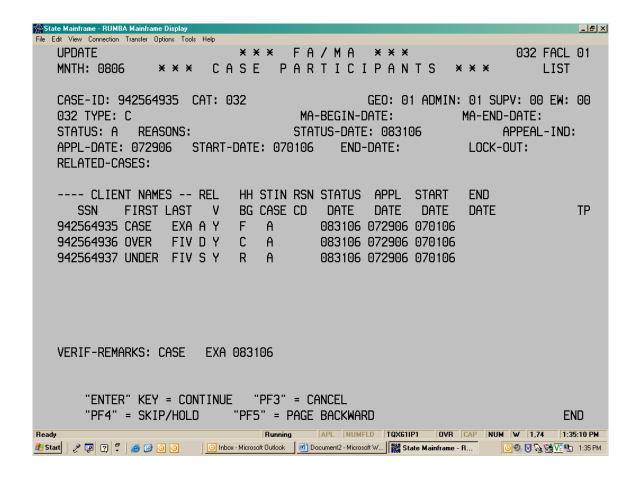
For households with children under 6 years of age only, the first column will reflect the gross earned income, a \$750 earned income disregard, the actual dependent care amounts or \$375, whichever is higher, etc.. The second column will reflect all zeros in the different fields.

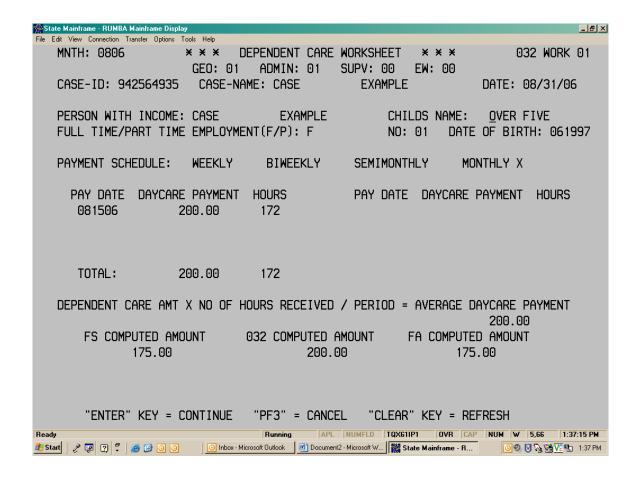
For households with children over 6 years of age only, the second column will reflect the appropriate earned income disregards and child care deductions. The first column will reflect all zeros.

For households with children under and over 6 years of age, both columns will be populated with the appropriate disregards and deductions.

Please direct questions regarding this material to Rebecca Schwarz at (505) 476-6818 or Joey Kellenaers at (505) 827-6208.

**ATTACHMENTS** 





# **ATTACHMENT 2A**

