



Iowa Department of Human Services

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GENERAL LETTER NO. 6-B-38

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 6, Chapter B, **STATE SUPPLEMENTARY ASSISTANCE**, pages 30, 36, 67, and 71 through 77, revised.

Summary

Chapter 6-B is revised to reflect the increased personal needs allowance for residential care facility assistance and family life home assistance effective January 1, 2016.

- ◆ The maximum family-life home payment is \$792.
- ◆ The personal needs allowance for residential care facility and family-life home is increased to \$103.

Effective Date

January 1, 2016

Material Superseded

This material replaces the following pages from Employees' Manual, Title 6, Chapter B:

<u>Page</u>	<u>Date</u>
30, 36, 67, 71-77	February 6, 2015

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

Family-Life Home Supplement

Legal reference: Iowa Code Section 249.3(2)“a”(1)

A “family-life home” is a private household offering a protective social living arrangement for one or two adult clients who are unable or unwilling to adequately maintain themselves in an independent living arrangement, but are physically capable of caring for themselves.

In such a living arrangement, the family provides the client’s room, board, and laundry services. The family also encourages the client to share in the interests and activities of the household and to participate in the social, cultural, educational, religious, and other activities of the community.

For the family-life home (FLH) supplement, an eligible person’s income is supplemented with a family-life home payment so that the person’s total income (including the family-life home payment) equals \$895. Once the person’s income is brought up to \$895, the person then pays the family-life home \$792 and retains \$103 for personal needs expenses.

Apply SSI policies in 8-C, [NONFINANCIAL ELIGIBILITY](#), 8-D, [RESOURCES](#), and 8-E, [INCOME](#), to determine eligibility. Review [Policies Applicable to All State Supplementary Assistance](#) before determining eligibility for a family-life home payment. Additional criteria that must be met are discussed in this section.

The recipients of family-life home payments may be eligible for Medicaid, including retroactive Medicaid. See [8-F, SSA Recipients and Dependent Relatives](#), and [8-B, Determining Eligibility for the Retroactive Period](#).

Administration (FLH)

Legal reference: 20 CFR 416.2015 and 416.2020; 441 IAC 50.2(249)

The Department and the Social Security Administration jointly administer the family-life home supplement. The Department determines eligibility for the supplement. The Social Security Administration determines the amount of the supplement and makes the payment.

All payments are issued to the recipient or the recipient's financial representative. The recipient keeps \$103 for personal needs and pays the certified family-life home \$792. The recipient is responsible for paying the family-life home.

The Social Security Administration:

- ◆ Notifies the recipient when a family-life home supplement is approved for payment;
- ◆ Informs the Department local office of the approval by returning form 470-0640, *State Supplementary Assistance Certification or Termination*; and
- ◆ Notifies the recipient whenever the family-life home supplement is changed or terminated.

Notify the recipient of the amount of payment to the family and the personal needs allowance by using form 470-0490, *Notice of Decision: Medical Assistance or State Supplemental Assistance*.

Case Maintenance (FLH)

Legal reference: 441 IAC 50.4(2)

The service worker reviews the continuing need for family-life home placement on a semiannual basis. The Social Security Administration annually reviews the financial eligibility of a recipient living in a family-life home.

Whenever there is a change reported, the IM worker, the service worker, and the Social Security Administration must be notified because all three work together to determine eligibility. Use form 470-0640, *State Supplementary Assistance Certification or Termination*, a memo, or a verbal contact to communicate with the service worker.

3. \$103 personal needs allowance. See [Personal Needs Allowance \(RCF\)](#).
4. Funds to meet the basic needs of a spouse living in the home of the client (SSI benefit amount for an individual minus the spouse's countable income). See [Diversion to Spouse and Dependent Children](#).
5. Funds to meet the basic needs of a dependent child living with the spouse at home (SSI benefit amount for a dependent minus the dependent's countable income minus the income of the parent at home that exceeds the SSI benefit for one). See [Diversion to Spouse and Dependent Children](#).
6. Any established unmet medical need of the resident.
7. Any established unmet medical needs of the spouse and dependent if a diversion for their basic needs is also being made.
8. The expenses of the previous living arrangement. See [First-Month Client Participation](#).

NOTE: Do not allow the SSI \$20 income disregard.

Personal Needs Allowance (RCF)

Legal reference: 441 IAC 52.1(3)"a"(1) and 54.5(249)

A recipient of residential care facility assistance is entitled to a personal needs allowance of \$103 per month. The client (or the client's guardian or conservator) may:

- ◆ Keep the funds in cash.
- ◆ Deposit the funds in a bank account.
- ◆ Designate a friend or relative to manage the funds.
- ◆ Deposit the funds with the operator of the RCF.

When the facility manages the personal funds of a resident, the operator of the facility must establish and maintain a system of accounting for expenditures from the resident's personal needs fund.

The *Handbook for Residential Care Facilities* defines the release of the funds, and requires the resident's specific consent. The funds must be refunded to the resident on the day the resident leaves the facility.

1. Mr. X lives in a residential care facility and has no income other than SSI.

\$ 733	SSI benefit
- <u>103</u>	Personal needs allowance
\$ 630	Client participation

2. Mrs. B lives in a residential care facility and has unearned income (social security) of \$120. Her SSI benefit is determined as follows:

\$ 120	Social security
- <u>20</u>	Income exclusion
\$ 100	Countable income
\$ 733	SSI benefit rate
- <u>100</u>	Countable income
\$ 633	SSI benefit

Calculation of client participation:

\$ 120	Social security
+ <u>633</u>	SSI benefit
\$ 753	
- <u>103</u>	Personal needs allowance
\$ 650	Client participation

3. Mr. L lives in a residential care facility. He has social security income of \$700 and earned income of \$333 and has impairment-related work expenses of \$100 per month. The client participation calculation is as follows:

\$ 700.00	Social security income
+ <u>333.00</u>	Earned income
\$ 1,033.00	
- 100.00	Impairment-related work expenses
- 65.00	Work expense exclusion
- 84.00	Half of the remaining earned income (\$333 - \$100 - \$65 divided by 2)
- <u>103.00</u>	Personal needs allowance
\$ 681.00	Client participation

To accomplish this calculation correctly on the ABC system, the worker first manually subtracts the impairment-related work expense of \$100 from the earned income amount of \$333.

The worker enters the resulting \$233 in the BCW2 EARNED INCOME field. The ABC system then calculates the \$65 plus one-half disregard from earned income.

Applicant Receives Dependent Person Assistance for an Ineligible Spouse or Other Dependent Relative

When an applicant who receives dependent person assistance enters a residential care facility, terminate the payment for the dependent relative using form 470-0640, *State Supplementary Assistance Certification or Termination*.

Divert income from the client to meet the needs of the dependent. Apply any applicable diversions from the client to meet the needs of the spouse or dependent.

1. Mr. J lives in a residential care facility. He has no income other than SSI. Mrs. J lives in the couple's home. She is not SSI-eligible and has no income.

\$ 733	SSI benefit
- 103	Personal needs allowance
\$ 630	
- 630	Diversion for spouse
\$ 0	

Only \$630 can be diverted to Mrs. J (instead of the SSI benefit of \$733), because the personal needs allowance must be deducted first.

2. Mr. M lives in a residential care facility and has social security income of \$950 (over income for SSI). Mrs. M lives in the couple's home. She is not SSI-eligible and has no income.

\$ 950	Social security income
- 103	Personal needs allowance
\$ 847	
- 733	Diversion for spouse
\$ 114	Client participation

3. Mr. A receives social security income of \$200 and SSI of \$452.50. Mrs. A has monthly earnings of \$1,000. Mr. A enters a residential care facility in June. Mrs. A remains at home. Mr. A's SSI benefit in June is calculated as follows:

\$ 200.00	Mr. and Mrs. A's combined unearned income
- <u>20.00</u>	Income exclusion
\$ 180.00	Combined countable unearned income

\$ 1,000.00	Combined earned income
- 65.00	Work expense exclusion
- <u>467.50</u>	One-half of remainder
\$ 467.50	Combined countable earned income
+ <u>180.00</u>	Combined countable unearned income
\$ 647.50	Combined countable income

\$ 1,100.00	SSI benefit rate for couple
- <u>647.50</u>	Countable income
\$ 452.50	SSI benefit amount

The SDX "DEEMED INCOME" field indicates only what the couple's combined total countable income is (\$647.50). The SDX does not indicate the total gross income of the ineligible spouse or the eligible spouse's type of income.

However, SSI's determination of the couple's countable income is still used to determine State Supplementary Assistance (SSA) eligibility and client participation, as shown below.

During June, Mr. and Mrs. A continue to be treated as one household for both SSI and SSA eligibility. The SDX "DEEMED INCOME" field is used to determine the couple's total countable income.

\$ 647.50	Couple's total countable income (SDX DEEMED INCOME field)
+ 20.00	Exclusion allowed for SSI calculation but not allowed for SSA calculation
+ <u>452.50</u>	SSI benefit
\$ 1,120.00	
- 103.00	Personal needs allowance
- <u>1,100.00</u>	Home maintenance allowance for month of entry
\$.00	Client participation for month of entry

Beginning in July, Mr. and Mrs. A are treated individually for both SSI and State Supplementary Assistance (SSA). Mr. A's SSI benefit increases to \$553. His client participation is calculated as follows:

\$ 200.00	Mr. A's social security
+ <u>553.00</u>	Mr. A's SSI
\$ 753.00	
- <u>103.00</u>	Personal needs allowance
\$ 650.00	
- <u>275.50</u>	Diversion for Mrs. A (733 - 457.50 [1,000 - 20 = 980 - 65 ÷ 2])
\$ 374.50	Client participation

4. Mr. B enters a residential care facility in May. He receives social security of \$825. Mrs. B remains at home. She receives social security of \$800.

Because neither Mr. B nor Mrs. B was an SSI recipient when Mr. B entered the facility, the spouses are treated separately beginning in May. Only Mr. B's income and resources are considered for SSA eligibility.

5. Mr. T receives social security income of \$1,150. Mrs. T is not aged, blind, or disabled. She receives unearned income of \$100. Mr. and Mrs. T also have a dependent child with no income. Mr. T enters a residential care facility in April. Mrs. T and the dependent child remain at home.

Because neither Mr. T nor Mrs. T was determined to be eligible for SSI in the month of entry, their income and resources are considered separately. Mr. T's eligibility and client participation is determined as follows:

April:

\$ 1,150	Social security
- 103	Personal needs allowance
- 1,100	Home maintenance allowance
- <u>367</u>	Diversion for dependent's basic needs
\$ 0	Client participation

May:

\$ 1,150	Social security
- 103	Personal needs allowance
- 653	Diversion to the spouse (733 - (100 - 20))
- <u>367</u>	Diversion for dependent's basic needs
\$ 27	Client participation

Applicant Has SSI-Eligible Spouse at Home

When the SSI benefit is based on the needs of the applicant and an eligible spouse, the basic SSI payment standard is \$1,100 for the couple. When one member of the married couple enters an RCF, treat the spouses as individuals beginning in the month after the month of entry.

1. Mr. K enters a residential care facility in March. He has social security income of \$175. Mrs. K lives in the couple's home. She has social security income of \$100. Mr. and Mrs. K receive SSI of \$845 as a couple.

For March, the Social Security Administration continues to treat Mr. and Mrs. K as a couple for SSI eligibility purposes. Mr. and Mrs. K are also treated as a couple for State Supplementary Assistance (SSA) eligibility.

Calculation of client participation for March:

\$ 175	Mr. K's social security income
+ 100	Mrs. K's social security income
+ <u>845</u>	SSI benefit
\$ 1,120	Total income
- 103	Personal needs allowance
- <u>1,100</u>	Home maintenance allowance for month of entry
\$ 0	Client participation for month of entry

Beginning in April, the Social Security Administration treats Mr. and Mrs. K as individuals for SSI eligibility. Mr. and Mrs. K are also treated as individuals for SSA eligibility.

Calculation of Mr. K's SSI:

\$ 175	Mr. K's social security
- <u>20</u>	Income exclusion
\$ 155	Countable income
\$ 733	SSI individual benefit rate
- <u>155</u>	Mr. K's countable income
\$ 578	SSI benefit

Calculation of client participation:

\$ 175	Social security
+ <u>578</u>	SSI benefit
\$ 753	
- <u>103</u>	Personal needs allowance
\$ 650	Client participation

No diversion is made for Mrs. K because she now receives SSI as an individual, so her needs are met by SSI.

Applicant Has SSI-Eligible Spouse and Dependent Child

When the SSI or State Supplementary Assistance (SSA) benefit is based on the needs of the applicant, an SSI-eligible spouse, and a dependent child, the total basic payment for the month of entry is \$1,467 (\$1,100 for the eligible couple and \$367 for the dependent child).

Starting with the month after the month of entry, consider the applicant living in the RCF to be an individual, with a basic SSI payment of \$733. Treat the SSI-eligible spouse and dependent child as an eligible individual with a dependent child, with a basic SSI-SSA payment of \$1,110 (\$733 + 377).

1. Mr. W moves to a residential care facility in May. He is SSI-eligible and has social security income of \$139. Mrs. W lives in the couple's home. She is SSI-eligible and has social security income of \$70.

Their son lives in the home with Mrs. W and is financially dependent upon his parents. The Ws receive a SSA dependent person allowance with their SSI benefit.

For May, the Social Security Administration continues to treat Mr. and Mrs. W and their dependent son as one household for SSI eligibility purposes. Mr. and Mrs. W and their dependent son are also considered as one household for SSA eligibility purposes.

Calculation of client participation for May:

\$ 139	Mr. W's social security income
+ 70	Mrs. W's social security income
+ 911	SSI benefit for Mr. and Mrs. W (\$1,100 + \$20) - (\$139 + \$70)
+ <u>377</u>	Dependent person allowance for son
\$ 1,497	
- 103	Personal needs allowance
- <u>1,467</u>	Home maintenance allowance for month of entry (\$1,100 + \$367)
\$ 0	Client participation for month of entry

Beginning in June, the Social Security Administration treats Mr. and Mrs. W as individuals for SSI eligibility. Mr. and Mrs. W are also considered as individuals for SSA eligibility.

Calculation of Mr. W's SSI:

\$ 139	Social security
- <u>20</u>	Income exclusion
\$ 119	Countable income
\$ 733	SSI individual benefit rate
- <u>119</u>	Countable income
\$ 614	SSI benefit

Calculation of client participation:

\$ 139	Social security
+ <u>614</u>	SSI benefit
\$ 753	
- <u>103</u>	Personal needs allowance
\$ 650	Client participation

No diversion is made for Mrs. W or the W's son because Mrs. W now receives SSI as an individual and also receives a dependent person allowance for their son, so their needs are being met by SSI.