

MEDICAID ALERT

July 2, 2010

Financial Maintenance Requirements for Medicaid and Family Health Plus at Application/Renewal

The purpose of the ALERT is to inform Providers, Facilitated Enrollers, Community Based Organizations (CBOs) and Client Representatives (C-Reps) of the standards that must be used when evaluating an applicant's/recipient's (A/R's) financial maintenance.

Financial Maintenance

Financial maintenance refers to the manner in which an A/R meets her/his basic non-medical living expenses. According to Section 366-a (2) (a) of the Social Services law, an A/R must provide information necessary for the determination of eligibility at application or during renewal. Additionally, Department Regulation, 18 NYCRR Section 360-2.3 (c) (5) states that the A/R must satisfactorily explain and or document how current living expenses are being met. In comparing the A/R's income against the applicable income levels, the A/R may appear to be eligible however, the financial maintenance may be unreasonable and an evaluation for completeness and consistency of the statements regarding the financial maintenance should be done.

As a guide to know when to pursue further financial maintenance information, Providers, FEs, CBOs and C-Reps had previously been advised to look for situations in which the A/R's monthly housing payment was more than 50 percent of her/his total monthly gross income. **Effective April 27, 2010, the New York State Department of Health has established standard thresholds for evaluating Financial Maintenance. In New York City, that threshold has been set at 70 percent.**

Evaluating Financial Maintenance

In order to determine if an explanation of Financial Maintenance is required, an applicant's share of monthly housing costs must be compared to his/her monthly gross income. Housing expenses include rent, mortgage payments and property taxes, but not utility expenses if they are paid separately. If an individual/couple is only paying a portion of the total housing expense (such as someone sharing an apartment, or receiving a housing subsidy), only their share is to be counted.

The combined gross income of a married couple residing in the same household should be compared to their housing expenses. This also applies for an unmarried couple who live together, if both

- continued on the reverse -

incomes are counted in the household budget. Parent/parents' total gross monthly income is to be used for a child-only application.

Financial Maintenance Form (DOH-4443)

If an applicant's housing expense exceeds 70% of his/her gross income, s/he must complete the Financial Maintenance Form (DOH- 4443 - copy attached). Form DOH-4443 requires the individual to explain how s/he is meeting basic non-medical living expenses. Providers, FEs, CBOs and C-Reps are required to complete the box at the top of the form and fill-in the housing, water and childcare expenses (if applicable), as well as the applicant's total gross monthly income prior to sending the form to the applicant/recipient.

If assistance is provided in completing the form, staff should read and must sign the statement at the end of the form. The MAP 2050A Declaration of Income or Support must no longer be used in explaining or documenting financial maintenance.

Documentation is not required to support an explanation of how monthly living expenses are being met. However, if an explanation is not provided, the application/renewal will be deferred, denied or discontinued for failure to provide required information.

PLEASE SHARE THIS ALERT WITH ALL APPROPRIATE STAFF

Name (print) _____ App. Reg/Case Number _____

Based on the information you provided on your Medicaid application, it appears that your income does not support your monthly living expenses. Please use the space below to list your monthly living expenses and explain how you pay for these expenses. We need this information to make a decision on your application.

Monthly Living Expenses

Please check the box in front of any item listed in the "Monthly Living Expenses" column for expenses you have and give the monthly amount spent on each item.

Explanation of Expenses

Explain how you pay for each of the monthly living expenses (such as cash on hand, checking/savings account monies, income/wages, credit cards, help from others (list their name and relationship to you) or make a note if the expense has not been paid and how long it has not been paid).

<input type="checkbox"/>	Rent/Mortgage/Property Taxes	\$ _____	_____
<input type="checkbox"/>	Water	\$ _____	_____
<input type="checkbox"/>	Childcare	\$ _____	_____
<input type="checkbox"/>	Cable	\$ _____	_____
<input type="checkbox"/>	Phone	\$ _____	_____
<input type="checkbox"/>	Heat	\$ _____	_____
<input type="checkbox"/>	Electricity	\$ _____	_____
<input type="checkbox"/>	Food	\$ _____	_____
<input type="checkbox"/>	Transportation	\$ _____	_____
<input type="checkbox"/>	Credit Card Payments	\$ _____	_____
<input type="checkbox"/>	Other	\$ _____	_____

To be filled out by the worker:

Total Monthly Living Expenses \$ _____
Total Gross Monthly Income \$ _____

Applicant/Recipient must read the following and sign below:

I certify that all of the above information is true and correct. I understand that this information is to be used to determine eligibility for Public Health Insurance Programs. I also understand that if I intentionally misrepresent my situation, I may have to repay benefits received and may be subjected to prosecution under State law.

Signature of Applicant/Recipient _____ Date _____

Facilitated Enrollers must read the following and sign below:

The information reported on this form was provided solely by the applicant/recipient. I did not modify the information in any way. I understand that if I intentionally falsified information on this form or if I assisted the applicant in falsifying any information that I may lose my job and be prosecuted under State law.

Name _____ Signature _____ Date _____

