

## **Revised Policy Clarification**

**Medical Assistance – All – PMA-21851-350**

**Long-Term Care – All – PMN-21851-450**

**Submitted: November 5, 2024**

**July 10, 2024**

**Agency: CAOs**

**Subject: Revised Changes to the Requirement to Apply for Potential Benefits as a Condition of Eligibility for Medical Assistance (MA)**

**Question:**

- 1) Has the requirement to apply for potential benefits as a condition of eligibility been eliminated?**
- 2) What effect will the elimination of this requirement have on the Disability Advocacy Program (DAP) process?**
- 3) Should individuals currently in Medical Assistance for Workers with Disabilities (MAWD), who may have chosen that category because they did not want to pursue Social Security Administration (SSA) benefits, be evaluated for a non-premium MA category due to the elimination of this requirement?**
- 34) Is a temporary system process needed due to the elimination of this requirement?**

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**Response By: Division of Health Services**

**Date: July 24, 2024**

### **Elimination of the Requirement to Apply for Potential Benefits**

1) Yes. Individuals are no longer required to pursue potential benefits as a condition of MA eligibility. As a result, County Assistance Offices (CAOs) will no longer require individuals to apply for potential benefits when reviewing for MA, including Home and Community-Based Services (HCBS) and Long-Term Care (LTC). Potential benefits include, but are not limited to, the following:

- Retirement, Survivors and Disability Insurance
- Supplemental Security Income
- Unemployment Compensation

- Workers' Compensation
- Retirement Benefits
- Disability Benefits
- Pensions and Annuities
- Veteran's Affairs Benefits

This policy change applies to all MA categories, except General Assistance (GA) categories, PD and TD. The CAO should continue to follow the existing policy for GA-related categories in Section 350.12 of the Medical Assistance Eligibility Handbook (MAEH).

### **Changes to the DAP Process**

2) The elimination of the requirement to apply for potential benefits as a condition of MA eligibility has some DAP impacts:

- There is no longer a requirement to have the DAP Referral form (PA 731) signed or have verification the individual applied for ~~Social Security Administration (SSA)~~ benefits prior to the authorization of disability related MA categories.
- Healthy Horizons (PH00) applicants/recipients are not required to apply for SSA benefits as a condition of eligibility. They will follow the same DAP referral type guidance as other MA categories which is listed below.
- The CAO will make an SSA or Medical Review Team (MRT) referral based on Substantial Gainful Activity (SGA) or MA category, following this guidance:
  - An SSA referral will be made if the individual is not meeting current SGA limits as it is still to their benefit to pursue these potential disability benefits.
  - The CAO will continue to offer their support and assistance for individuals wanting to pursue SSA disability benefits, such as with the completion of SSA forms.
  - An MRT referral will be made if the presumptively disabled individual is meeting or is over the SGA limit or is active or will be opened in ~~Medical Assistance for Workers with Disabilities (MAWD)~~ or Children with Special Needs (PH95).

**NOTE:** An MRT referral should not be made if there is still a valid MRT certification or SSA disability determination for the individual.

If the individual fails to apply for or pursue SSA benefits and SSA has not rendered a disability determination, the CAO:

- Must refer the individual to MRT for the disability determination in order for the individual to remain in a disability-related MA category.
- Can choose to refer the individual to MRT for the disability determination if the individual is in a non-disability related MA category, such as Modified Adjusted Gross Income (MAGI).

**Reminder:** MRT referrals should not be made for HCBS or LTC recipients as their functional eligibility for those services is verification of disability to remain in those budgets.

### **Evaluating Current MAWD Recipients for Non-Premium MA**

- 3) Yes. For individuals active in MAWD who have not communicated their decision to remain in MAWD since the elimination of the requirement to pursue potential sources of income became effective, the CAO is to perform an evaluation to see if the individual qualifies for both MAWD and a non-premium MA category. This initial review can be conducted when the CAO is next prompted to take action on an active MAWD case, such as at Semi-Annual Reporting (SAR) or renewal; or, when a hit, alert, work item, or Customer Service Center ticket is received.

If the CAO determines the individual qualifies for both MAWD and a non-premium MA category, the CAO is to:

1. Contact the individual to explain both programs.
2. Explain to the individual that they will continue to be responsible for a monthly premium if they choose to remain in MAWD.
3. Communicate any possible Workers with Job Success (WJS) eligibility impacts if the individual chooses to go into the non-premium MA category.
4. Ask the individual if they want to remain in MAWD or transition to a non-premium MA category.
5. Thoroughly narrate the conversation with the individual, including their decision and any subsequent actions taken.

**Reminder:** If the individual requests to be transitioned to the non-premium MA category, the MAWD Request field must be updated to “4-Not Requesting MAWD” and the Disability Benefit Status field should be updated to “N-Not required to apply” so MAWD does not build. If the individual decides to remain in MAWD, the Disability Benefit Status must remain “R-Refused to apply” for the SSA Disability Benefit Types.

**Example 1:** Homer is a current MRT certified MAWD recipient who submits his SAR form and provides all needed verification to the CAO. When the CAO starts to process the SAR, the CAO determines Homer is resource eligible and within the income limits for PH00 (M). Homer previously chose to be in MAWD because they did not want to apply for SSA benefits. After the CAO discusses the differences between WJS and Healthy Horizons with Homer, Homer states they do not expect to have an increase in income or resources in the future that may necessitate WJS consideration. Homer requests the CAO transition them to the non-premium MA category. The CAO transitions Homer to PH00 (M), making the applicable updates to the Disability screen, and enters a thorough narrative that details the conversation, Homer's decision, and all actions taken on the case.

**Example 2:** Claudia is a current MRT certified MAWD recipient who reports and verifies a decrease in earned income. As the CAO updates the income in the case record, the CAO determines Claudia is eligible for MG 91. When the CAO calls Claudia to discuss the differences between WJS and MAGI, Claudia indicates the decrease in income is temporary and they actually expect to receive a promotion within the year that comes with a significant raise. Claudia requests to remain in MAWD so they can be considered for the WJS program later in the year. The CAO enters a thorough narrative that details the conversation and Claudia's decision. No further action is taken on the case.

### **Temporary Process**

- 34) Yes. The CAO will need to follow this temporary process until system updates can be made:

#### **GA-related MA**

The CAO will need to perform an override to fail the GA-related MA categories when disability benefit types are selected and have a corresponding status of "R-Refused to apply".

**NOTE:** Social Security benefit types should not be selected for individuals eligible for GA-related MA categories.

If there is more than one individual in the same GA-related MA category and Target Type, deselect the MA checkbox on the Individual Program Request screen for the individual who is not cooperating and issue a manual notice to communicate their ineligibility for MA.

### Other MA categories

If the DAP SSA referral is closed as “Not-Pursuing, Client did not cooperate”, the CAO must update the Disability Benefit Status to “N-Not required to apply” to avoid the MA from closing as failure to apply for a federal benefit.

**Reminder:** If SSA determined the individual did not meet disability criteria, the individual’s disability must be end-dated, and the individual reviewed for non-disability related MA.

If the individual is refusing to apply for or pursue other disability benefit types, such as Worker’s Compensation, Veteran’s Compensation, Black Lung, Sick Benefits, or Other, the CAO will also select “N-Not required to apply” on the Disability Benefit Status field.

**NOTE:** Selecting “N-Not required to apply” will not impact Temporary Assistance for Needy Families (TANF) eligibility.

**Reminder:** To build the MAWD budget, the Disability Benefit Status must be “R-Refused to apply” for SSA Disability Benefit Types. Information on building PH 95 can be found in [Daily Status 23042701 Processing PH95 Budgets](#).

In addition, the Potential Benefits screen in the Electronic Client Information System should not be used for cases containing MA budgets, including GA-related.

- The CAO can create a case change additional work item to track potential sources of non-DAP related income.

### TANF and MA

If the case has a TANF budget, the CAO must deselect the Cash checkbox on the Individual Program Request screen for the applicable individual and the Cash exclusion code of “55-Sanction/failure cooperate identify and apply for federal benefit (N)” must be selected. The system generated notice should be suppressed. A manual notice to communicate the grant reduction, reason, and corresponding citation 55 Pa. Code § 141.21 (n) must be issued.

If the case has an Extended TANF budget, the CAO must follow the data-entry steps for the TANF scenario indicated above. The CAO can issue a system generated notice, but it must update the Cash closure to reflect Reason Code 044 with applicable option.

This policy will be updated in the MAEH Chapters 312, 315, 319, and 350; LTCH Chapter 450; and SHB Chapter 820.