

DSS-4357EL  
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GENERAL INFORMATION SYSTEM  
**DIVISION:** Office of Medicaid Management

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**GIS** 99 MA/026

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

**FROM:** Donna B. Farlow, Deputy Director  
Office of Medicaid Management

**SUBJECT:** Medicaid Disregard of Cash Awards for SSI-related Children

**EFFECTIVE DATE:** October 28, 1996

**CONTACT PERSON:** (518) 474-9130 for Upstate Local District Liaison and  
(212) 613-4330 for New York City

"The Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998" amended Section 1612(b) and 1613(a) of the Social Security Act to disregard as income and resources cash awards of up to \$2,000 in any calendar year made by tax-exempt organizations to or on behalf of children in receipt of Supplemental Security Income (SSI) who have life-threatening conditions. This disregard applies to awards made on or after October 28, 1996, which was two years prior to enactment of this disregard.

In determining Medicaid eligibility for SSI-related children, the Department is required by the Federal Social Security Act to use a methodology that is no more restrictive than that used in the SSI program. Therefore, cash awards of up to \$2,000 in any calendar year made by tax-exempt organizations to or on behalf of SSI or SSI-related children who are under age 18 and have life-threatening conditions are disregarded as income and resources effective retroactively to October 28, 1996.

If a social services district becomes aware of a situation where an SSI-related child was denied Medicaid for excess income/resources, or authorized Medicaid with excess income/resources liability on or after October 28, 1996, due to receipt of such a cash award, the case must be rebudgeted by disregarding the cash award. For all cases which are determined or redetermined Medicaid eligible or eligible with a reduced spenddown liability during the retroactive period, reimbursement/payment of medical expenses for the affected period, if appropriate, shall be made. In Reimbursement for paid medical expenses are limited to the Medicaid rate or fee for the particular service. Social services districts should follow the reimbursement procedures set forth in the Fiscal Reference Manual, Volume I, Chapter 7, pages 20 through 24 and Volume II, Chapter 5, pages 16 through 21.

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Tax-exempt organizations (as defined in Section 501(c)(3) of the Internal Revenue Code of 1986) include corporations, and any community chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literacy or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children and animals.

An oral or written statement from the tax-exempt organization is sufficient to determine if a child has a life threatening condition.