



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

## FIA ACTION TRANSMITTAL

**Control Number:**

02-39

**Effective Date: Upon Receipt**

**Issuance Date: December 14, 2001**

**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

**FROM: CHARLES E. HENRY, EXECUTIVE DIRECTOR**

**JOSEPH E. DAVIS, EXECUTIVE DIRECTOR, DHMH/OOE**

**RE: SOCIAL SECURITY DISABILITY/SUPPLEMENTAL SECURITY  
INCOME BENEFITS**

**PROGRAM AFFECTED: ALL PROGRAMS**

**ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS**

### **SUMMARY**

Recently, we received information that the Social Security Administration identified approximately 130,000 Supplemental Security Income (SSI) recipients who appear to be insured for Social Security Disability Insurance (SSDI) payments based on their own earnings, but are not receiving these benefits. Some of these cases may have a retroactivity period that dates back to 1973, although the average retroactivity period is about eight years.

Unlike the underpayment to correct the error in the cost of living increases, correction of these payment amounts and source of payments will not be a mass change.

The State will receive alerts for benefit amount/source changes through normal BENDEX/SDX process. Recipients started receiving notification of the new benefit amount in July, with changes effective in August.

### **ACTION REQUIRED**

#### **➤ *Food Stamp Program***

- ◆ We will treat the retroactive payments as nonrecurring lump sum payments. The case manager will count the nonrecurring lump sum as a resource in the month of

receipt. Do not count a nonrecurring lump sum as income for food stamps.

- ◆ If the household member loses eligibility for SSI, the case manager must re-evaluate the case for continuing eligibility, since the member may have lost categorical eligibility.

➤ **Temporary Cash Assistance and Public Assistance to Adults**

- ◆ We will treat the retroactive payments as a nonrecurring lump sum payment. If a lump sum payment is less than the monthly benefit amount for an assistance unit (AU) count the lump sum as unearned income in the month after adverse action.
- ◆ If lump sum exceeds the benefit amount, add lump sum income to all earned and unearned income except the TCA or PAA grant. Subtract the work expenses and disregards. Divide the results by the allowable payment for the AU size.
- ◆ The family is ineligible for the number of months equal to the result of the division. Any remaining amount that is less than the full monthly benefit for the AU size is counted as income in the month after the ineligible period ends.

➤ **Transitional Emergency, Medical and Housing Assistance**

This change should not affect TEMHA cases.

➤ **Medical Assistance**

Persons who were formerly SSI-eligible and who receive SSA lump sums should be treated as potential Pickle eligibles. Please refer to FIA Action Transmittal #00-12 (Pickle Amendment), MA Policy Alert 12-03 (Redeterminations for Former SSI Recipients) and SDX procedures for potential Pickle eligibles.

**INQUIRIES**

Please direct food stamp policy questions to Kay Finegan at (410) 767-7939, TCA questions to Jo-Ann Showalter at 410-767-7956, system inquires to Gina Roberts at (410) 238-1297, and MA questions to Cathy Croghan at 410-238-1247 or the DHMH Division of Eligibility Services at 410-767-1463.

cc: DHR Executive Staff  
FIA Management Staff  
Constituent Services  
DHR Help Desk

### **CARES PROCEDURES for Food Stamps**

The retroactive payment will be treated as a non-recurring lump sum payment for food stamps. It will be coded as a resource in the month of receipt. Case Managers should complete the following:

On the **AST1** screen:

- In the **Type** field enter “**LS**” (lump sum),
- In the **Amount** field enter the amount of the retroactive lump sum payment,
- In the “**V**” field enter the appropriate verification code,
- Complete the case processing,
- Narrate your actions.

### **CARES Procedures for TCA and PAA**

The retroactive payment will also be treated as a non-recurring lump sum payment for TCA and PAA cases. If the lump sum amount is less than the monthly benefit amount for an AU, enter the amount as unearned income on the **UINC** screen in the month after adverse action. If the lump sum amount is more than the benefit amount enter the lump sum as unearned income on the **UINC** screen and CARES will determine the number of months that the household will be ineligible for benefits. The case will be denied for the ongoing month with “**301**” (income over scale) and the appropriate **300** code that corresponds with the total number of ineligible months. On the **STAT** screen in the **Penalty** field “**L**” (lump sum) and the end date for the ineligibility period will appear. Any remaining amount that is less than the full monthly benefit for the AU size is counted as income in the month after the ineligible period ends.

On the **UINC** screen:

- In the **Source** field enter “**LS**” (lump sum),
- In the **Amount** field enter the amount of the retroactive lump sum payment,
- In the “**V**” field enter the appropriate verification code,
- Complete the case processing,
- Narrate your actions.