



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

Family Investment Administration
ACTION TRANSMITTAL

Control Number: #04-16

Effective Date: January 2, 2004

Issuance Date: December 23, 2003

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

FROM: KEVIN M. MCGUIRE, EXECUTIVE DIRECTOR, FIA

JOSEPH E. DAVIS, EXECUTIVE DIRECTOR, DHMH/OOE

RE: EXCLUDED INCOME AND RESOURCES

**PROGRAMS AFFECTED: FOOD STAMP PROGRAM, TEMPORARY CASH
ASSISTANCE, MEDICAL ASSISTANCE AND THE
MARYLAND CHILDREN'S HEALTH PROGRAM**

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY:

The 2002 Farm Bill allows states to simplify the treatment of some income and resource types by making food stamp policy match Temporary Cash Assistance (TCA) and Medical Assistance policy. Department of Health and Mental Hygiene and Family Investment Administration staff have met over the past several months to discuss changes that we can make to simplify policy by making the treatment of income and resources the same for all programs wherever possible.

This action transmittal describes new policy for excluding additional income and resource types.

NEW POLICY:

Excluded Income

1. Infrequent or Irregular Income

- ◆ For all programs, the new policy increases the exclusion to \$200 every six months for unearned income that is received too infrequently or irregularly to be reasonably anticipated.

- ◆ Medical Assistance defines infrequent or irregular income as earned or unearned income that is received less than twice per quarter or cannot be reasonably anticipated.
- ◆ The rules for other programs do not define or limit the number of times in a quarter that a household can receive infrequent or irregular income.

Example: Mr. A's father gives him money every once in awhile when he doesn't have enough to buy groceries and toiletries. Mr. A said the most his father gives him is \$30. He also said that he does not get this help every month. The case manager will exclude this income.

- ◆ Notes and Reminders about infrequent or irregular earned income:

The income exclusion for infrequent or irregular earned income is \$30 per quarter for all programs.

For food stamps, this type of income is rarely countable since we do not act on a reported change unless the new circumstance is expected to continue for at least one month beyond the month in which the change is reported. (See Action Transmittal #03-50)

2. Cash donations, based on need, from one or more charitable organizations.

- ◆ This unearned income exclusion applies to all programs, including MCHP.

Example: Ms. B is off work because of health reasons. She received \$400 from her church to help her pay some medical expenses and her rent. This is excluded income.

3. Interest earned on bank accounts.

- ◆ The unearned income exclusion applies to all programs, including MCHP. This exclusion applies only to the interest earned on bank accounts, such as checking, money market or savings accounts. Interest earned on any other type of account is countable.

Note: This income is already excluded for MCHP.

Excluded Resource

All revocable or irrevocable funeral or burial agreements, plans, contracts, or burial insurance are excluded, that are either signed with a funeral home or with the funeral home designated as the beneficiary.

Note: For food stamps, TCA and Medical Assistance – FAC , this resource exclusion does not extend to regular savings accounts or other liquid resources (e.g., stocks, bonds) that the customer has designated for funeral or burial costs. This is because the accounts are readily accessible to the household. However, PAA, TEMHA, and MA-ABD and LTC will continue to exclude up to \$1500 for liquid resources designated for burial or funeral expenses. MCHP doesn't consider resources.

CARES PROCESSING PROCEDURES:

Do not enter excluded earned or unearned income or resources on the **ERN2, UINC**, or **AST** screens.

ACTION DUE:

Apply this policy for applications and recertifications on or after January 2, 2004.

INQUIRIES:

Please direct food stamp inquiries to Kay Finegan at 410-767-7939 or Marilyn Lorenzo at 410-767-7333. Direct TCA questions to Gretchen Simpson at 410-767-7937. Direct MA questions to the DHMH Division of Eligibility Services at 410-767-1463, which may be reached toll-free through 1-800-492-5231.

cc: FIA Management Staff
Constituent Services
DHR Help Desk