



Ohio Department of Human Services

30 East Broad Street, Columbus, Ohio 43266-0423

February 5, 2000

OWF/PRC Guidance Letter No. 12

TO: Directors, County Departments of Human Services
Directors, County Public Children Services Agencies
Directors, Child Support Enforcement Agencies
Regional Account Managers

FROM: Jacqueline Romer-Sensky, Director

**SUBJECT: USE OF PREVENTION, RETENTION, AND CONTINGENCY (PRC) FUNDS
FOR PREVIOUSLY AUTHORIZED IV-A MEDICAL SERVICES**

The purpose of this guidance letter is to provide information on the allowable uses of TANF funds and to specifically address the use of funds for previously authorized medical services. In Ohio, there are two ways in which to spend TANF funds (not counting the State's ability to transfer funds to other block grants) in the PRC program.

As a general rule, unless otherwise prohibited, counties may use available funds in any manner reasonably calculated to accomplish one of the four purposes of TANF (Reference 45 C.F.R. 260.20) which are:

To provide assistance to needy families so that children may be cared for in their own home or in the homes of relatives;

End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and,

Encourage the formation and maintenance of two-parent families.

PRC may also be used for purposes previously authorized under Ohio's AFDC state plan. It is important to note, however, that the use of funds in this manner is more restrictive than when funds are used for the four TANF purposes discussed above. First, in expending funds for this purpose, counties must use the same eligibility criteria contained in Ohio's AFDC state plan as of August 21, 1996. Prior law also dictates the scope and duration of the services. The prior law requirements are outlined in the attachment to this letter.

In addition, expenditures for previously authorized services must be made from federal TANF funds and as such, must be tracked and identified separately for federal fiscal reporting purposes. It is also important to note that most services that were provided under Ohio's former AFDC state plan would also be allowable under one of the four purposes of the TANF program with two exceptions; emergency medical services

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under the Family Emergency Assistance Program (FEA) and certain child welfare services covered under the FACES program (child welfare services will be addressed in a separate OWF/PRC Guidance Letter). Basically, one of the only advantages of using funds for purposes previously authorized is that the prohibition on medical services does not apply to the use of funds for this purpose.

One of the requirements under the former FEA program was that a benefit could only be issued once in a 12-month period (see former OAC Rule 5101:1-7-04). To ensure the ability to adhere to this requirement, we will add a reason code to the TPRX table in CRIS-E. We will issue a view flash bulletin with this information.

If a CDHS opts to provide previously authorized medical services under their PRC plan, a PRC plan amendment must be submitted in accordance with the procedures outlined in OWF/PRC Guidance Letter No. 3.

The prior law requirements for the issuance of IV-A medical services are contained in the attachment to this letter.

Attachment
JRS:jf

c:	County Commissioners Assoc.	Cheri Walter
	OHSDA	Deputy Directors
	PCSAO	Technical Assistance Managers
	Wayne Sholes	Bureau Chiefs/County Ops.

Use of PRC Funds for Previously Authorized IV-A Medical Services

The following rules delineate the eligibility criteria that was in place for the provision of emergency medical services under Ohio's former AFDC state plan that was in effect as of 8/21/96. If a county chooses to provide these medical services under their PRC plan, the county must adhere to the eligibility requirements that were applicable under prior law, including the income and resource methodology, the scope of services and duration of the services (i.e., once in a twelve-month period).

Covered Medical Services (former OAC 5101:1-7-18)

Medical services which may be considered under the scope of coverage for emergency assistance payments are medical supplies, laboratory fees, pharmaceutical services, physicians care, and dental services. When emergency assistance (EA) is issued for any of these services the emphasis is on payment for an emergency which, if treatment were delayed would result in loss of life or threat to health and safety of the assistance group member.

Payment for medical services under the emergency assistance program is made according to the actual billed charge. The maximum payment amount allowed for EA medical services is the EA payment standard for the assistance group or the actual amount needed to meet the emergency within the limits set for the particular item, whichever is less.

In some situations, the maximum payment that can be made for medical services will not meet the emergent need. However, in these instances an exception is made to the general rule that EA is not issued unless the amount authorized plus the co-payment will meet the emergency. When the medical cost of the medical service exceeds the maximum amount allowed for that service, the maximum EA payment shall be authorized even though the amount is not sufficient to meet the emergency.

In some emergency situations, when medical services have already been obtained, an emergency assistance payment may be authorized for these services, provided the emergent and financial need is verified and an application for emergency assistance is made within forty-five calendar days of the date the service was provided. When the cost of the medical service exceeds the maximum amount allowed for that service, the maximum payment shall be authorized.

The following is an all-inclusive listing of medical services that may be met by an emergency assistance payment.

Emergency assistance may be issued for medical supplies that are needed to protect the health and safety of an assistance group member if ordered by a physician or other licensed practitioner of the healing arts. Medical supplies are limited to the following items:

Hypodermic needles and syringes for the diabetic.

Medically necessary dressings such as surgical pads and tape.

Oxygen.

Catheters and bed pans.

Bags, frames, and supplies for colostomies, ileostomies, and urethrostomies.

Atomizers or nebulizers obtained from a pharmacy.

A thirty-day supply of any one or a combination of medical supplies listed above is the maximum which may be considered for payment. The assistance group record must have documentation that the medical supplies are ordered by the physician and contain an itemized list of supplies from the provider of the service.

Emergency assistance may be issued for laboratory and x-ray services that are ordered by a physician or other licensed practitioner of the healing arts. Documentation must be contained in the assistance group record to substantiate the physician's orders that the tests are medically necessary, and there must be an itemized list of services needed.

Emergency assistance coverage may include payment for pharmaceutical supplies but is limited to drugs prescribed by a physician or dentist. Insulin is included. A thirty-day supply of a prescription of insulin is the maximum to be considered for payment. Emergency assistance may not cover standard "medicine cabinet" items such as first aid supplies, vitamins, cold remedies, or any nonprescription drugs. The assistance group record must have documentation such as a copy of the prescription to substantiate the need for pharmaceutical supplies.

Emergency assistance authorized for physician's care is limited to emergency treatment provided by a licensed physician. Payment may be authorized for the minimum appropriate treatment to relieve the pain or infection. The emergency treatment must be performed in the physician's office, hospital emergency room, or the out-patient department of a hospital or clinic.

Emergency assistance may be issued for emergency dental care. Payment may be authorized for the minimum appropriate procedure to relieve the pain or infection. The emergency care must be performed in the dentist's office, the hospital emergency room, or the out-patient department of a hospital or clinic.

Eligibility Periods (former OAC 5101:1-7-04)

County departments of human services will determine eligibility for all emergency assistance requests by taking into consideration the following time frames:

A "standard of promptness" is the period of time beginning on the date a signed application is received in the county department of human services and ending ten calendar days later. Due to the intended focus of the emergency assistance program, county departments of human services are encouraged to process emergency assistance requests within ten calendar days of receipt of the signed application.

The "budget period" is the thirty-calendar-day period beginning with the date a signed application is received in the county department of human services. The income and resources available during this thirty-day period only are used in the computation of financial need.

The "authorization period" is the period of time beginning on the date that the emergency assistance

is approved by the eligibility determiner and ending thirty calendar days later. After the emergency assistance payment is authorized for one service, there are to be no further emergency assistance payments issued. Once authorization of emergency assistance has been completed, county departments of human services shall enter the emergency assistance approval information into CRIS-E.

Only one thirty-day authorization period may occur in any twelve consecutive months. The first day of the authorization period is also the first day of the twelve-month period during which only one thirty-day authorization period may occur.

The “application date” is the date that a signed ODHS 7336, “Emergency Assistance Application” is received in the county department of human services.¹

Eligibility Requirements (former OAC 5101:1-7-08)

Certain eligibility requirements must be met in order to determine financial need for emergency assistance (EA). These eligibility requirements are age, residence, living arrangement, and income. Certain resources in excess of fifty dollars must be considered toward the co-payment for which the family is responsible.

The assistance group must have both an emergent need and a financial need. Therefore, if the assistance group has an emergent need but does not meet one of the eligibility conditions, there is no eligibility for EA.

Verification of the eligibility requirements is required only for income and resources. For EA purposes, it is important to evaluate the income and resources available at the time of application which may be used towards meeting the emergent need.

The eligibility requirements of age, residence, and living arrangement may be verified for EA purposes if the situation indicates clarification is needed; i.e., the prudent person concept is applied. Due to the nature of the EA program, the determination of what should be subject to verification should be construed to the benefit of the assistance group.

Recipients of Aid for Dependent Children (ADC)² or Disability Assistance (DA) are considered automatically to meet the eligibility requirements of age, residence, and living arrangements. However, eligibility for ADC or DA does not constitute automatic eligibility for EA. The factors of income and resources must be evaluated and a determination made of whether financial need exists.

Recipients of Medicaid (Aged, Blind or Disabled), SSI, and food stamps do not automatically meet any eligibility requirements. Eligibility must be determined as for any other applicant of EA.

The following paragraphs outline the eligibility requirements necessary to determine financial need for EA. Age, residence, living arrangement and income requirements must be met in order to have a financial need for EA.

¹ This form has been obsoleted. The receipt of a county-designed PRC application would establish the application date.

² The ADC program was replaced by the OWF program.

There is no minimum age requirement for the parent or relative with whom a child lives or for an individual acting as head of a household. Any individual under the age of twenty-one, unless married or head of the household, is considered a child to be included in the family for EA purposes. There is no requirement for the child under age twenty-one to be attending a school, college, or university, or to be enrolled in a training program. There is also no requirement that the child under age twenty-one be registered for work.

Residence in the state is a requirement for EA. Residence is established by living in the state voluntarily with the intent to remain here permanently or for an indefinite period of time. Residence is also established by a person who is not receiving assistance from another state and entered the state with a job commitment or seeking employment, whether or not currently employed. A child is a resident of the state in which the caretaker is a resident.

EA is available to a child under age twenty-one and any other member of the household in which he is living provided the child is now living or has been living with a specified relative within six months prior to the month of application.

The term “specified relative” is limited to those individuals outlined in rule 5101:1-3-04.³

The term “living with” shall include persons who would be physically in the home except for circumstances that would require temporary absence, such as hospitalization, detention in a juvenile home until a court commitment, attendance at school, visiting, vacationing, and/or trips made in connection with current or prospective employment.

Assistance group members must be living in independent living arrangements. EA may not be issued to persons living in medical or public institutions.

Use of Resources (former OAC 5101:1-7-09)

A general principle of the emergency assistance (EA) program is that resources which an assistance group member has currently available must be applied toward the emergent need. The resources to be considered for EA are those which are both liquid and available during the budget period to help the assistance group meet the emergent need.

Resources do not include the value of real property, automobiles, life insurance, household goods, benefits received under the provisions of the Agent Orange Compensation Exclusion Act (Public Law 101-201) received on or after January 1, 1989, loans and scholarships under the program in title IV of the Higher Education Act or under Bureau of Indian Affairs Student Assistance program and personal effects.

“Liquid assets” are those resources which are in cash or payable in cash upon demand. “Liquid assets” are those which can be converted to cash within the budget period so that the funds are available to help meet the emergent need. The most common types of liquid assets are cash on hand, savings accounts, checking accounts, stocks, bonds, mutual funds, promissory notes, and burial accounts.

“Available liquid assets” are those in which the assistance group member has a legal interest and the legal ability to use or dispose of them. If both legal interest and ability to use the liquid resource do not exist, the value of the liquid asset is unavailable for EA.

³ This definition is currently found in ORC 5107.02.

Resources owned by one assistance group member are considered available to all other assistance group members.

If ownership of a resource is shared by an assistance group member and a person who is not a member of the assistance group, the liquid resource is considered available on a prorated basis unless evidence is produced to show the resource is unavailable.

Verification of liquid assets is required. A current verbal or written statement from the source is acceptable verification. Any verbal verification must be obtained from the financial institution, stock broker, etc. Due to the nature of the EA program, it is expected that verification is readily obtained. Therefore, telephone verification with the applicant's release of information is permissible. Verification that is obtained by telephone must be clearly documented in the assistance group record as to the name and position of the person supplying the information, the date the verification was obtained, the current amount of the resource, and the name of the individual who obtained the verification.

Use of Income (former OAC 5101:1-7-10)

All income which is received or expected to be received by any member of the EA assistance group during the thirty-day budget period is considered when determining financial need. This includes all income which is normally exempt or disregarded when determining eligibility for Aid for Dependent Children (ADC), or Disability Assistance (DA), except income received under the provisions of the Agent Orange Compensation Exclusion Act (Public Law 101-201) received on or after January 1, 1989 and income described in the fourth paragraph of this section. It does not include income which was received prior to the thirty-day budget period or income which will be received after the thirty-day budget period.

When all members of the EA assistance group received ADC or DA as their only source of income, the income requirement is considered automatically met. If the EA assistance group has other income in addition to ADC, or DA, the income requirement is not automatically met. Eligibility must be determined, and the amount of the ADC, or DA payment is considered unearned income.

When a member of the EA assistance group received unearned income, the entire amount received or expected to be received during the thirty-day budget period is to be counted.

Effective July 1, 1993, all student financial assistance provided under the programs in Title IV of the Higher Education Act or under the Bureau of Indian Affairs student assistance programs shall be disregarded as income and resources in the determination of eligibility and level of benefits in the EA program. Loans and scholarships, other than those provided under the programs in Title IV of the Higher Education Act or under the Bureau of Indian Affairs student assistance programs are treated as unearned income; however, when designated for tuition, books, fees, etc. those amounts shall not be counted. Some loans and scholarships, other than those provided under programs in the Title IV of the Higher Education Act or under the Bureau of Indian Affairs student assistance programs, contain a compilation of tuition, living expenses, etc. In these cases, the amount for educational expenses must be determined and shall not be counted.

The gross amount of the unearned income received by any member of the EA assistance group during the budget period is counted for emergency assistance purposes. There are no deductions allowed for costs of obtaining this income or for specific expenses such as taxes, insurance premiums, etc.

All types of unearned income received by any member of the assistance group must be counted. "Earned income" is that in which the assistance group member must perform some type of labor or service to receive

it. The gross amount of earned income received or expected to be received during the thirty-day budget period must be considered for emergency assistance.

Deductions from work-related expenses may be allowed from the gross earned income of each employed EA assistance group member to arrive at net income. Because of the nature of EA, it may not always be possible to verify the exact amount of work-related expenses in a timely manner. Therefore, the earned income exclusions shall be limited to ninety dollars for work expenses and one hundred seventy-five dollars per child, or two hundred dollars if the child is under age two for child care costs. The ninety dollar and one hundred seventy-five dollar (or two hundred dollars if the child is under age two) disregards are not adjusted for part-time employment. If verification of work expense is readily available, the actual verified amounts which will be deducted from the gross earnings or paid by the individual during the thirty-day budget period may be allowed.

Following is a list of the earned income exclusions to be deducted from gross earnings of each employed member of the assistance group when allowing the actual verified costs. This list is all-inclusive and may not be expanded.

Mandatory deductions of involuntarily withheld income taxes (federal, state, and city), social security, compulsory retirement, unemployment and disability insurance contributions.

Transportation to and from work. A mileage allowance equal to the amount which is reimbursed to state staff is deducted when the individual uses his own vehicle.

Child care costs.

Expenses for union dues involuntarily withheld.

Miscellaneous deductions required by the employer.

The following types of income are excluded from either earned or unearned income. The amount of the exclusion is limited to the actual verified expense.

Court-ordered child support and alimony when paid to an individual not included in the eligible assistance group.

Court-ordered garnisheed payments.

Verification of income is required for EA. Written or verbal verification from the employer must be obtained. Phone verification with the applicant's release of information is permissible. Any verification that is obtained by telephone must be clearly documented in the assistance group record as to the name and position of the person supplying the information, the date the verification was obtained, the current amount of the income, and the name of the individual who obtained the verification.

When income to the EA assistance group fluctuate from month to month, the eligibility determiner should use the most currently available verification and predict the income for the budget period unless it is indicated the situation will be different. This documentation must be retained in the assistance group record.

The EA assistance group's net unearned income is added to the EA assistance group's net earned income in order to calculate the total net income. The total net income is then compared to the financial eligibility standard for the appropriate assistance group size according to the financial eligibility chart. When the net income is compared with the financial eligibility standard, one of the following results will occur:

If the net income is equal to or less than the financial eligibility standard, the EA assistance group is eligible for EA on the basis of income.

If the net income is greater than the financial eligibility standard, the EA assistance group may be eligible for EA on the basis of income. However, the income in excess of the financial eligibility standard will be required to be applied toward the cost of the emergent need as a co-payment.

Co-Payment Requirements (former OAC 5101:1-7-192)

"Co-payment" is that portion of the cost of emergency assistance (EA) items for which the family is responsible. It is the amount equal to the net income in excess of the financial eligibility standard and the resources in excess of fifty dollars.

The general principle of co-payment is that the assistance group must use whatever resources they have available to help meet the emergent need. The co-payment serves to reduce the amount of EA to be authorized by the county department of human services (CDHS) so that the EA payments added to the co-payment will meet the emergent need. The "co-payment" is that portion which the assistance group must pay directly to the provider of the service. The co-payment is not made to the CDHS.

It is recognized that having a thirty-day budget period can be a difficult process, as it is sometimes difficult to meet emergency needs from future income. Therefore, the CDHS must help the assistance group understand that meeting emergency needs is a shared responsibility between the assistance group and the CDHS. The caseworker must explain that the authorization of EA is dependent upon the co-payment. The CDHS caseworker may be required to assist the family in making arrangements with the vendor to pay the co-payment from future funds.

The net income in excess of the financial eligibility standard is considered available towards the emergent need. "Net income" is income which remains after all deductions are allowed. After applying the financial eligibility standard to the net income, the amount remaining is considered countable income to be applied toward the emergent need as a co-payment.

When all members of the EA household are recipients of Aid For Dependent Children (ADC), Disability Assistance, or Supplemental Security Income (SSI), it is possible that the total household income will exceed the financial eligibility standard. Because ADC, DA, and SSI are need programs, it is inconsistent to require a co-payment when there is no other income. Therefore, the income portion of the co-payment requirement will be waived when the only source of income is public assistance.

If there is other income in the household. Either earned or unearned, in any combination with ADC, DA, or SSI, the calculation of income is determined as for any other EA applicant. Any income in excess of the financial eligibility standard is countable income to be applied toward the emergent need as a co-payment.

In computing the amount of resources available for co-payment, the first fifty dollars is exempt. Any liquid assets of the assistance group in excess of fifty dollars are considered countable resources to be applied

toward the emergent need as a co-payment. There is no waiver of the resource portion of co-payment for ADC, DA, and SSI recipients.

The countable income and countable resources are added together to become the family's co-payment. The co-payment amount is the family's obligation to pay towards the emergent need. The CDHS must provide a sufficient explanation to the assistance group of the calculation of the co-payment and the responsibility of paying the co-payment to the vendor or provider of the service. If possible, it is advisable for the CDHS to inform the vendor or provider of the service of the amount of the co-payment and of the assistance group's responsibility to make the co-payment. There is no requirement that the co-payment be made prior to issuance of EA. The CDHS should be reasonably assured that the co-payment will be paid before EA is issued, to avoid issuance of EA for items not provided by the vendor because the co-payment was not paid.

When the amount of the co-payment is computed, it is applied to the emergent need to determine the amount of the EA payment.

If the co-payment is equal to or exceeds the emergent need, there is no EA payment necessary. The assistance group has sufficient excess income and resources with which to meet the emergent need. If the co-payment is less than the emergent need, the amount of the co-payment must be applied toward the emergent need in one of two ways.

If the amount needed to meet the emergency exceeds the maximum payment allowed for the particular item needed, the CDHS shall determine whether the maximum EA payment combined with the applicant's co-payment will meet the emergent need. If so, the CDHS may authorize EA in an amount not to exceed the maximum payment permitted for that item. The principle is that when the applicant makes the co-payment, the two payments together will equal the total amount needed to meet the emergency. The exception to this principle is when issuing EA for medical services. In many instances, the maximum EA payment combined with the co-payment may not fully meet the emergent need. However, the maximum EA payment is to be authorized.

If the amount needed to meet the emergency is equal to or less than the maximum payment amount, the co-payment will be deducted from the maximum payment amount or the emergent need, whichever is less. The difference or deficit is the amount of EA payment made by the CDHS. The EA payment combined with the co-payment should meet the emergent need.

In extreme emergencies, when the co-payment is to be paid from funds to be received later in the budget period, the co-payment may be waived. The agreement to waive the co-payment may require that the co-payment be paid when the funds are later received or the co-payment may be waived entirely. A waiver of co-payment requires approval of the CDHS director or his designee.

The waiver of co-payment provision applies only to income which will be received in the budget period. Since the resources that are considered for EA eligibility are liquid assets, it is expected that such assets are available during the budget period. Thus, the co-payment may not be waived for the resource portion of the co-payment.

The CDHS should exercise caution in the waiver of a co-payment. This procedure should be approved only in extreme situations when there is an emergent need for which payment must be made immediately and the

vendor will not supply the service unless the total amount due is paid. When the CDHS is considering a waiver of the co-payment, the following steps are to be followed in order:

Assist the family in making arrangements with the vendor or provider of service to accept the co-payment amount at a later date when the future income is expected to be received. An exception then would not be required by the CDHS.

Pay the total amount of the EA, within the allowable limits, but have the assistance group member sign a repayment agreement for the co-payment. When the assistance group member later receives the income, he will repay the amount of the co-payment to the CDHS.

Reduce the co-payment due to unusual circumstances. For example, during the budget period, the assistance group member may have an unusual bill to pay which would make him unable to meet the co-payment. This type of unusual bill must be one that, if not paid promptly, would create another emergent situation.

Reduce the co-payment but pay the total maximum payment amount and have the assistance group member sign the repayment agreement for the reduced co-payment.

Waive the entire co-payment in extreme situations only and make the entire EA payment. If the co-payment is waived, there must be a statement included on the eligibility worksheet that the co-payment is waived. The assistance group record may also include a brief explanation of the reason for the waiver.

Financial Eligibility Standards (former OAC 5010:1-7-20)⁴

The following chart is used in determining financial eligibility for emergency assistance.

Number in Assistance Group	Financial Eligibility Standard	Payment Standard
1	368	184
2	498	227
3	627	276
4	757	343
5	886	400
6	1015	445
7	1144	498
8	1273	553
9	1402	608
10	1531	662
11	1660	716
12	1789	771
13	1918	825
14	2047	879
15	2176	934

Add one hundred twenty-nine dollars to the financial eligibility standard for each person above fifteen, i.e., a family of twenty would receive two thousand eight hundred twenty-one dollars.

Add sixty-nine dollars to the payment standard for each person above fifteen, i.e., a family of twenty would receive one thousand two hundred seventy-nine dollars.

⁴ HHS has clarified that states (and therefore, counties) can make a reasonable cost-of-living adjustment to the payment rate that was in effect in the former state plan.