Department of Human Resources **311 West Saratoga Street** **Baltimore MD 21201**	**Family Investment Administration** **ACTION TRANSMITTAL**
Control Number: #11-30	**Effective Date: UPON RECEIPT** **Issuance Date:** June 22, 2011

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

FROM: **ROSEMARY MALONE, INTERIM EXECUTIVE DIRECTOR, FIA**
STAFFORD CHIPUNGU, DIRECTOR, OFFICE OF BUDGET & FINANCE

RE: **PAA INTERIM ASSISTANCE REIMBURSEMENT CALCULATIONS**

PROGRAM AFFECTED: PUBLIC ASSISTANCE TO ADULTS

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY: Recently, the Social Security Administration (SSA) contacted us about the new IAR process and expressed concerns about our reimbursement calculation method for the Public Assistance to Adults (PAA) program. FIA reviewed the process to determine whether we issued payments correctly. We discovered our methodology needs adjustment.

The PAA program helps customers residing in a protective living arrangement such as a Rehabilitative Residence, a Project (CARE) Home or in an Assisted Living facility. Project Home and Assisted Living recipients receive a grant towards their cost of care. Applicants residing in a Project Home or Assisted Living facility are required to apply for the Supplemental Security Income (SSI) program administered by SSA, and enter into an agreement to reimburse the State for benefits received once their SSI benefit is approved. All customers receive a Personal Needs Allowance of $82.00 which is **not** reimbursable. Rehabilitative Residence customers receive only the personal needs allowance.

Local departments explain the Interim Assistance Reimbursement (IAR) process and get applicants to sign the (DHR/FIA 340) form. When a recipient is awarded SSI benefits, the signature on the IAR allows the state to get reimbursed. Staff ensure applicants understand that the state must be repaid once the SSI is approved. Case

managers enter the IAR date into the system and Local Finance officers work with SSA to calculate the IAR amount and determine what the state is owed. Rehabilitative Residence customers are not required to apply for SSI or sign the Interim Assistance Reimbursement.

ACTION REQUIRED: This action transmittal outlines the correct calculation method. When PAA recipients are approved for SSI you must deduct the personal needs allowance from the SSI amount before the state is reimbursed. In most instances the PAA benefit exceeds the SSI amount. The state cannot recoup more than the monthly SSI benefit. Social Security reimburses the state a maximum of the SSI award **minus** the personal needs allowance for each month assistance is given.

LDSS Responsibilities

- Explain the IAR process to the customer and ensure that the applicant understands the state must be reimbursed up to the amount of the monthly SSI benefit minus the personal needs allowance.
- Get a signature on the IAR (340) and enter that date in the IAR field on the DEM2 screen
- Use the date of application as the IAR date when the 340 is not available during the interview
- (PF9) from the DEM2 screen to add Remarks (adjust the IAR date once the 340 is returned)

Local Finance Responsibilities

- When determining how much the state is owed, always remember to use the calculation most beneficial to the customer if they were a recipient of another program for a partial month.
- When the customer received benefits from two programs in the same month, the recoupment for that month **must only** be based on the grant from the **first** program.
- Always remember to allow the customer a personal needs allowance for each month

Example 1

Mr. Stars files an application for TDAP in August 2010; his condition is expected to result in death. The case manager approves the application. He is a type 2 recipient and he gets $185 monthly. The case manager explains the IAR process to Mr. Stars and he signs the 340 form. He is informed upon approval of the SSI claim, the state is reimbursed.

On January 20, 2011, Mr. Stars moves into Assisted Living and applies for PAA. The case manager closes the TDAP case and approves the PAA case. In March, 2011, SSA approves Mr. Stars' SSI application with a payment effective date of September 2010. Since Mr. Stars initially received TDAP, the calculation must include TDAP for September, October, November, December 2010 and January 2011. Social Security

will reimburse the state for PAA for February and March 2011, which **must not** exceed the SSI benefit. The personal needs allowance ($82.00), must be deducted for each month. Mr. Stars SSI award is $674.00 monthly; the $82.00 personal needs allowance is subtracted leaving $592.00 as the maximum benefit the state can get.

Calculations

$185.00 X 5 = $925.00 TDAP amount paid September 2010 thru January, 2011

$674.00 - $82.00 = $592.00 SSI awarded minus the personal needs allowance

$592.00 X 2 = $1184.00 Reimbursable amount to the state for PAA grant paid for February and March 2011

$925 + $1184 = $2109.00 Total IAR amount due the state

Example 2

Mrs. Wildfire files an application for PAA on March 2, 2010. She lives in a CARE home and does not receive SSI. The case manager explains she must file an application for SSI benefits and obtains the customer's signature on the 340 form. The case manager approves Ms. Wildfire's PAA case in March, 2010. Her SSI application is approved in July, 2010. The state deducts the $82.00 personal needs allowance for each month the SSI benefit is awarded. The state gets a maximum reimbursement of $592.00 per month.

Calculation

SSI Award $674.00
Personal Needs Allowance $82.00
State Reimbursement $592.00 times the number of months = the amount the state is reimbursed.

Example 3

Mr. Sultry files an application for PAA on January 27, 2011. He is in a Rehabilitative Residence. The case manager approves Mr. Sultry's application. The customer later applies and is approved for SSI. When he receives SSI, the state will not get reimbursed because he receives only the personal needs allowance.

INQUIRIES: Please direct PAA inquires to Stephanie Hawkins on (410) 767-8121 or shawkins@dhr.state.md.us. Direct finance questions to Bridgette Palmer at (410) 767-7643 or bpalmer@dhr.state.md.us.

cc: DHR Executive Staff
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