



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Family Investment Administration  
**ACTION TRANSMITTAL**

Control Number: #13-10

Effective Date: Upon Receipt

Issuance Date: April 8, 2013

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

**FROM: DEBBIE RUPPERT, EXECUTIVE DIRECTOR, DHMH/OES** *Debbie Ruppert*  
**ROSEMARY MALONE, EXECUTIVE DIRECTOR, FIA** *Rosemary Malone*

**RE: PROCEDURAL CHANGES FOR RETROACTIVE LUMP SUM  
PAYMENTS OF SOCIAL SECURITY RETIREMENT (RLSP),  
SURVIVORS AND DISABILITY INSURANCE (RSDI) and RAILROAD  
RETIREMENT BENEFITS (RRB)**

**PROGRAM AFFECTED: MEDICAL ASSISTANCE**

**ORIGINATING OFFICE: OFFICE OF ELIGIBILITY SERVICES**

**SUMMARY**

This Action Transmittal describes the changes necessary to align procedures relating to RSDI and RRB retroactive lump sum income.

Count RLSP received from RSDI or RRB as income in the month received and exclude it as a resource for the nine months following the month of receipt. Consider the date that the State Verification Exchange System (SVES) shows that the retroactive lump sum payment was issued as the date of receipt.

**ACTION REQUIRED:**

Local Departments must review and apply the procedures below:

## **Application Procedures**

### **Retroactive lump sum RSDI or RRB payment received prior to month of application**

Upon receipt of an application the case manager (CM) will:

1. Complete a SVES, SDX (State Data Exchange) and SOLQ (State On-Line Query) clearance to verify the:
  - applicant is eligible for RSDI or RRB benefits; and/or
  - date the RLSP was received.
2. Compare information received from clearances to information received from the applicant to determine the appropriate month of receipt.
3. Request appropriate verification if a discrepancy exists or if information is questionable.
4. Determine if the RLSP needs to be entered as unearned income in the three month retroactive period associated with the MA application.
5. Calculate the nine month resource exclusion period.
6. Create an alert to check resource amounts at the end of the exclusion period.

All remaining resource amounts at the end of the exclusion period are countable.

### **Retroactive lump sum RSDI or RRB payment received during the application process**

Upon receipt of an application the case manager (CM) will:

1. Complete an SVES, SDX and SOLQ clearance to verify:
  - that the applicant is eligible for RSDI or RRB benefits; and
  - the date the retroactive lump sum payment was received.
2. Compare information received from clearances to information received from the applicant to determine the appropriate month of receipt.
3. Request appropriate verification if a discrepancy exists or if information is questionable.
4. Determine if the RLSP needs to be entered as unearned income:
  - in the three month retroactive period associated with the MA application, or
  - any month in the application consideration period.

**NOTE: Retroactive lump sum RSDI or RRB income is counted as unearned income only in the month received.**

5. Process the application according to standard procedures.
6. If applicant is determined eligible:
  - determine the nine month exclusion period; and
  - create an alert to check resource amounts at the end of the exclusion period.

All remaining resource amounts at the end of the exclusion period are countable.

**Example:**

Mr. A. submits an application in May. The case manager completes the proper clearances and finds that Mr. A received a \$15,000 retroactive lump sum RSDI payment in April. This payment is counted as income for April (the month of receipt). For the following nine months, the payment is an excluded resource. The nine month exclusion period is May 1<sup>st</sup> through January 31<sup>st</sup>. The case manager must create an alert to check the resource amounts as of February 1<sup>st</sup>.

**NOTE: General application procedures for individuals applying for Medical Assistance have not changed.**

**Interim Change Procedures**

Upon notification of a retroactive lump sum RSDI or RRB payment received during the certification period, the case manager (CM) will:

1. Complete a SVES, SDX and SOLQ clearance to verify:
  - the applicant is eligible for RSDI or RRB benefits; and
  - the date the retroactive lump sum payment was received.
2. Compare information received from clearances to information received from the recipient.
3. Request appropriate verification if a discrepancy exists or if information is questionable.
4. Determine the appropriate month of receipt:
  - complete an 1169 form, if appropriate; and
  - calculate the nine month resource exclusion period.
5. If the certification period extends beyond the exclusion period, create an alert to check the resource amounts at the end of the exclusion period.

All remaining resource amounts at the end of the exclusion period are countable.

**Example:**

Mr. A. notifies the CM that he received a \$15,000 retroactive lump sum RSDI payment in March. His current certification period is March 1<sup>st</sup> through February 28<sup>th</sup>. The RLSP is countable unearned income in March. For the following nine months, the payment is an excluded resource. The nine month period is April 1<sup>st</sup> through December 31<sup>st</sup>. The CM must create an alert to check the resource amounts as of January 1<sup>st</sup>.

**Please Note: General procedures for recipients who have interim changes have not changed.**

**Redetermination Procedures**

Upon receipt of a redetermination application the case manager (CM) will:

1. Complete a SVES , SDX and SOLQ clearance to verify:
  - the applicant is eligible for RSDI or RRB benefits; and
  - the date the retroactive lump sum payment was received.
2. Compare information received from clearances to information received from the applicant to determine the appropriate month of receipt.
3. Request appropriate verification if a discrepancy exists or if information is questionable.
4. Determine the appropriate month of receipt:
  - complete an 1169 form, if appropriate; and
  - calculate the nine month resource exclusion period.
5. If the certification period extends beyond the exclusion period, create an alert to check resource amounts at the end of the exclusion period.

All remaining resource amounts at the end of the exclusion period are countable.

**Example**

Mr. A. notifies the CM, at redetermination, that he received a \$15,000 retroactive lump sum RSDI payment in April 2012. The CM checks the SVES clearance to verify the date the RLSP was issued. His current certification period is May 1, 2011 through June 30, 2012. The RLSP was countable unearned income for the month of April. The CM completes an 1169 form and sends the form to DHMH. The case manager calculates the nine month exclusion period to begin May 2012 and end January 2013. The RLSP is an excluded resource through January 2013. If Mr. A is recertified for a new period of July 1, 2012 – June 30, 2013, the CM must create an alert to check resource amounts as of February 1, 2013.

**Please Note: General redetermination procedures have not changed.**

**INQUIRIES:**

Please direct MA policy questions to DHMH Division of Eligibility Policy at 410-767-1463 or 1-800-492-5231 (select option 2 and request extension 1463).

cc: DHR Executive Staff  
DHMH Management Staff  
FIA Management Staff  
DHR Help Desk

DHMH Executive Staff  
DHMH Policy and Training Staff  
Constituent Services