HOW TO USE
THIS WORKBOOK

This workbook will introduce you to the changes Adult Financial Modernization is making March 1, 2020. For more information and practice view our web-based training and attend our instructor-led training and webinar for more information on data entry and the changes in CBMS.

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OVERVIEW

Summary of the basis and purpose of new rule or rule change
- Phase II to revisions to the AF programs (5 years in the making)
- To streamline and simplify eligibility processes for customers, county departments of human/social services, and Single Entry Point Agencies (SEPs).
- By matching criteria with other programs such as Food Assistance and Medicaid the customer and worker experience of the programs will improve.
- Eliminating redundant language and clarifying rules to reduce redundant or unnecessary processes and to simplify the eligibility requirements.
- The rule revisions incorporate changes made with a focus on reducing workload and paperwork caused by applying three or more programs’ standards to one applicant.

The major areas of change include:
- Incorporates a Period of Ineligibility
- Streamlines eligibility and reporting requirements
- Updates definitions to better align with federal law and current practice
- Changes income disregards to include simpler calculations
- Aligns reporting and noticing requirements with Social Security Income, Medicaid, Food Assistance, and other cash programs.

PROGRAMS IMPACTED

All Adult Financial programs are impacted including: Old Age Pension (OAP), Aid to the Needy Disabled - State Only (AND-SO), Aid to the Needy Disabled - Colorado Supplement (AND-CS), Home Care Allowance (HCA), Special Populations Home Care Allowance (SP-HCA), Adult Foster Care (AFC), and Burial.
Financial

**DISREGARDS**

Disregards applied for all programs (including AND-SO). Prior to AF Modernization AND-SO was a dollar for dollar program with no disregards.

**Old Rule** - At application, disregards are applied AFTER the gross test and at RRR disregards are applied prior to the gross test.

**New Rule** - All disregards are applied prior to the gross test.

**Earned Income Example:**
A customer babysits on an intermittent basis and earns $150 each month. Deduct $65. Divide remainder by 2.

\[
\begin{align*}
\text{$150 \text{ income}$} & \quad \text{\$85} \\
\text{-$65 \text{ disregard}$} & \quad \div 2 \\
\text{=} & \quad \text{\$85} \\
\text{=} & \quad \text{\$42.50}
\end{align*}
\]

$42.50$ is the GROSS EARNED INCOME used to calculate grant.

**Unearned Income Example:**
A customer is single, never married received a gift of $100. Deduct $20.

\[
\begin{align*}
\text{$100 \text{ gift}$} & \quad \text{-$20 \text{ disregard}$} \\
\text{=} & \quad \text{$80$}
\end{align*}
\]

$80$ is the COUNTABLE UNEARNED INCOME used to calculate grant.

**OAP application/RRR Example (unearned):**
Customer who is single, never married receives $832 in SSA income per month. Deduct $20.

\[
\begin{align*}
\text{$832 \text{ income}$} & \quad \text{-$20 \text{ disregard}$} \\
\text{=} & \quad \text{$812$}
\end{align*}
\]

$812$ is the COUNTABLE UNEARNED INCOME used to calculate grant payment.
**PRAC'TICE**

Complete the scenarios below calculating the new disregards.

**Earned Income:**
Laura makes $810 walking dogs every month.

**Unearned Income:**
Lance receives a $250 cash gift every month.

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**SPOUSAL DEEMING**

**Old Rule** - When a spouse was receiving assistance, their income would not be deemed.

**New Rule** - When a spouse is receiving assistance, and they have income above the grant standard, deeming rules will apply and their income may be deemed. (Assistance meaning AF, SSI, or Medicaid)

**Old Age Pension Earned Income:**

\[
\begin{align*}
\text{$1000$ income} & \quad \text{-$65 disregard} \\
& = \quad \text{=$467.50}}
\end{align*}
\]

$467.50 is the amount deemed to the customer.

**Old Age Pension Unearned Income:**
Spouse Unearned Income $1000. Deduct OAP Grant Standard. Deduct 1/2 SSI grant for each dependent child living in the household. Deduct medical expense for dependents. Deduct court judgement or support order, excluding garnishments, for the spouse.

\[
\begin{align*}
\text{$1000$ income} & \quad \text{-$821 disregard} \\
& = \quad \text{=$179}}
\end{align*}
\]

$179 is the amount deemed to the customer.

**AND-SO and AND-CS Earned Income:**
Spouse Earned Income $300. Deduct $65. Divide the remainder by 2.

\[
\begin{align*}
\text{$300$ income} & \quad \text{-$65 disregard} \quad \div 2 \\
& = \quad \text{=$117.50}}
\end{align*}
\]

$117.50 is the amount deemed to the customer.

**AND-SO and AND-CS Unearned Income:**
Spouse Unearned Income $300. Deduct $20 unless the customer also has unearned income, then split between customer and spouse and deduct $10. (Married couples receive a $20 deduction combined.)

\[
\begin{align*}
\text{$300$ income} & \quad \text{-$20 disregard} \quad \div 2 \\
& = \quad \text{=$280}}
\end{align*}
\]

$280 is the amount deemed to the customer.
ISMs

Old Rule - Shelter expenses needed to be verified to determine ISMs.
New Rule - Shelter expenses only need to be verified when the OAP or AND-CS customer declares shelter expenses below the current ISM amount. When shelter expenses are declared at least the current ISM amount, Client Statement is acceptable and no verification is needed.

DISCREPANCY THRESHOLD

Old Rule - There was no threshold.
New Rule - A discrepancy will not be created if the amount of the difference in payment is $200 or less in most circumstances. When a discrepancy is created in the current EDBC run the user will receive a pop up notification and then the discrepancy will be automatically converted into a valid claim and a notice will be sent to the customer.

TRUSTS

Old Rule - Rule addressed trusts as countable income only, and not as a countable resource.
New Rule - Will match how SSA treats the trust, and it could either be considered a resource or income, depending on the customer’s access to the trust, and whether they are receiving funds from it.

BURIAL GRANT

Old Rule - Burial grant was either $1000 or $1500 depending on the customer’s age and aid code.
New Rule - Burial grant will be $1500 for all ages and aid codes.

CONTINUED BENEFITS

Old Rule - When a customer requested continued benefits when appealing a decision, the benefits would continue until appeal decision was final.
New Rule - Continued benefits will only continue through the end of the current certification period or when a decision is received, whichever is sooner.
ANNUITY PAYMENTS

Old Rule - Only lump sum payments had to be pursued.
New Rule - Payments must now be accepted as frequently as possible.

TITLE V INCOME

Old Rule - Exempt income.
New Rule - Countable income and updated in CBMS.

ALIMONY AND SPOUSAL SUPPORT

Old Rule - Rule did not address whether alimony/spousal support was countable or exempt income.
New Rule - Alimony and Spousal support are now added in rule as countable income.

MINIMUM MONTHLY MAINTENANCE NEEDS ALLOWANCE (MMMNA)

Old Rule - Rule did not identify MMMNA (the amount of an institutionalized spouse's income a community spouse is allowed to retain to meet their monthly needs) as countable income.
New Rule - MMMNA will now be countable income.

CRYPTOCURRENCY

Old Rule - Cryptocurrency (like Bitcoin) was not addressed in rule or CBMS.
New Rule - Cryptocurrency are now added in rule as a countable resource, and has been added as a selectable resource on the Liquid Asset screen in CBMS.

EBT

Old Rule - EBT cash balances were not addressed in rule or CBMS.
New Rule - EBT balances are added in rule as a countable resources, and has been added as a selectable resource on the Liquid Asset screen in CBMS.
STANDARD VEHICLE VALUE

Old Rule - There was no standard vehicle value identified to use when a vehicle’s value could not be found in Kelley Blue Book (KBB) or National Automobile Dealers Association (NADA).

New Rule - When a vehicle’s value cannot be found in KBB or NADA, a standard of $400 should be used.

CASH SURRENDER VALUE (CSV) OF LIFE INSURANCE

Old Rule - Rule identified the maximum CSV for Life Insurance that met criteria was up to $100,000.

New Rule - Rule identifies the maximum CSV for Life Insurance that meets criteria, is up to $250,000.

SHELTER VERIFICATION

Old Rule - Shelter must be verified and an ISM applied if not provided.

New Rule - Shelter verification is only needed if declared shelter cost is less than the ISM and the system will only request shelter VCL for AF aid codes that assess for the ISM and if the declared shelter expense is less the maximum ISM amount.

NEW EXEMPT INCOME

Rule will now identify the following as exempt income: Foster care payments, child support payments, income less than $60 per quarter.

REFLECTION

Take a minute and write about the changes in this section you think will have the biggest impact on you and your customers.
Non-Financial

INTERVIEWS

Old Rule - Face to face interviews were required at application and at least once every three years.

New Rule - Interviews can now be by phone at application and RRR, good cause is no longer required to replace a face-to-face with a phone interview. At RRR, the interview conducted is based on the customer’s choice. The RRR will now include a checkbox for the customer to select their interview preference.

PTC REBATE

Old Rule - The statutorily required outreach for the Property Tax/Rent/Heat Rebate program to be completed by State and county departments was not included in AF rule.

New Rule - AF rule will include language requiring the PTC Rebate program’s outreach to be completed during the application and interview process of AF customers by State and county departments.

Who Qualifies?
Colorado residents who are at least 65 years old (or a surviving spouse at least 58 years of age) or disabled for all of the applicable year and meet income requirements may be eligible for the PTC Rebates.

MARITAL STATUS

Client Statement is acceptable verification for all Marital Statuses unless questionable, including “divorced” and “legally separated.”

Added language to AF rule that customers who are not “legally” separated are considered married. Client statement is now a valid value in CBMS for all acceptable marital statuses (unless questionable).

IPVs

Old Rule - There were no IPVs for Adult Financial Programs.

New Rule - An Adult Financial customer can be given an IPV when they: Make a false or misleading statement or fails to disclose by misrepresentation or concealment of facts, or act in a way that is intended to mislead or conceal any eligibility factor on any application or other written and/or
electronic communication for the purpose of establishing or maintaining eligibility to:
· Receive benefits for which the customer is not eligible: or
· Increase benefits for which the customer is not eligible for: or
· Prevent a denial, reduction or termination of benefits.

**Disqualification Period**
1st offense = 12 months
2nd offense = 24 months
3rd offense = Lifetime

**POIs FOR TWFC**
**Old Rule** - There was no maximum for a TWFC period.
**New Rule** - Transfer without Fair Consideration (TWFC) Disqualifications for Adult Financial created on or after 03/01/2020 will have a maximum disqualification period of 36 months.

**VERIFYING RESOURCES OF SSI RECIPIENTS**
**Old Rule** - Verification of resources was required for ALL customers at application and if a customer received ONLY SSI income no verification of resources was required at RRR unless a new resource was declared.
**New Rule** - Customers who receive SSI (with or without other sources of income) do not need to provide verification of their resources at application, and only need to provide verification at RRR when there are changes to their resources.

CBMS will now consider “Client Statement” as acceptable for resources of an AF customer, who is receiving SSI, at both application and RRR and will not create a VCL.

**ADMIN ERROR CLAIM**
**Old Rule** - Admin error claims did not begin collection without a signed repayment agreement.
**New Rule** - A signed repayment is not required before collection can begin on an Admin error claim.

**MINIMUM APPLICATION REQUIREMENTS**
**Old Rule** - No address was required.
**New Rule** - AF Rule requires an address to be considered a valid application. This aligns with Food Assistance minimum application requirements.
30 DAYS FOR SSI APPEAL SPEED LETTER

Old Rule - AND-SO customer must appeal all negative decisions and is allowed 10+1 days to verify appeal/pending status of SSI in ongoing mode.
New Rule - 30 days for SSI appeal speed letter - CBMS change.

AND-SO CHANGES

Old Rule - Social factors were not needed in addition to a total disability to be eligible for AND-SO.
New Rule - The new Med-9 and new AF rule will now require for the AND-SO customers to be both totally disabled and have social factors preventing them from working to be eligible for AND-SO.

CASE COMMENT REQUIREMENTS

Old Rule - Rule did not state that the results of the actions need to be documented in case comments.
New Rule - AF Rule states that actions, and the result or outcome of action taken on the case must be documented.

HCA AGE CHANGE

Old Rule - AF rule did not set a minimum age to receive HCA.
New Rule - AF rule will now clearly specify a customer must be at least 5 years old to be eligible for HCA.

REFLECTION

Take a minute and write about the changes in this section you think will have the biggest impact on you and your customers.
Noticing & Timeliness

45 DAY PROCESSING FOR APPLICATIONS

**Old Rule** - AND 60 days to be processed and OAP 45 days to be processed.

**New Rule** - 45 days for ALL Adult Financial programs, including AND-SO.

CHANGE REPORTING

**Old Rule** - Changes had to be reported within 30 days.

**New Rule** - All changes must be reported and verified by the 10th of the following month for Adult Financial cases.

TIMELY NOTICING

**Old Rule** - Not in rule for AF.

**New Rule** - Customers must be given at least 11 days prior to negative action being taken on case.

30 DAY ROLLING PROCESSING FOR UNTIMELY RRRS

**Old Rule** - If the RRR is received on the 16th through the end of the RRR due month the county has until the 10th of the following month to process the RRR if not authorized by the 10th the case will be untimely.

**New Rule** - Untimely RRRs will now have 30-day rolling processing. CDHS RRR Timeliness Reports will be updated to reflect this new information.

REFLECTION

Take a minute and write about the changes in this section you think will have the biggest impact on you and your customers.
Enhancements

BURIAL QUEUE

The Burial queue has been improved, including the addition of the CDHS Interview Page and Case Wrap Up page to the Burial Mini Queue.

If the application does not meet the following timeframe guidelines the application will be denied:

Without Good Cause
30 days from the date of death under the Death Information section on the individual demographics page in CBMS.

With Good Cause
365 days from the date of death under the Death Information section on the individual demographics page in CBMS.

POTENTIAL INCOME

Old Rule - In current rule but unable to pend correctly in CBMS.
New Rule - New screen will provide automation at the milestone ages: 60 (if disabled), 62, and 65.

CBMS will check the SSI details screen to determine if the appropriate application has been submitted
- If no then a VCL will be generated and the VCL will not pend any related HLPGs
- If yes then the system will check at next milestone.

OUT OF STATE OUT OF COUNTRY IN CBMS

New termination NOAs for customers who are out of the country for 30+ days, out of state for 90+ days without medical treatment, and out of the state 180+ days.

2 YEAR CERT LOGIC

The logic for two-year certification for OAP has been corrected to function in accordance with rule.

COUNTY QA PROCESS

A memo will be issued each year to all counties with the required number of AF cases to review. The number will be based on the monthly averaged AF caseload for each county. The county will submit their reviews to the State QA Division via prescribed tools/reports.

SPONSOR HARDSHIP

Sponsor Hardships will be determined by CBMS and an USCIS notice will be sent automatically based on the user’s data entry of the sponsor questions on the Sponsor Information page in CBMS.
**INTERMITTENT RRRs**

Intermittent RRRs will be replaced with Request for Contact. Users will be able to send a request for contact to an AF customer when the user receives questionable information and an attempt to cold call the customer is unsuccessful. If the AF customer doesn’t respond to the request for contact by the duet date, the case can be discontinued with timely noticing.

**VCLs**

The Adult Financial hierarchy has been updated. The system will recognize when a case should deny for income or resources and not pend for non-financial verification in these situations.

**DEFINITIONS**

Added clarity, aligned with other programs. Not tied to a project.

**ELIMINATED RULES**

Eliminated rules for SP-HCA and Adult Foster Care.

**NON-DISCRIMINATION**

Added additional non-discrimination language

**WRONG NAME?**

Creates a way to deny an incomplete application.

**REFLECTION**

Take a minute and write about the changes in this section you think will have the biggest impact on you and your customers.
SUMMARY REFLECTION

After reviewing all the new AF rules and changes, take a minute and write about the changes you think will have the biggest impact on you and your customers.